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Strikers win round in blacking out TV campaign ads

By GREER FAY CASHMAN
Jerusalem Post Reporter

The striking radio and TV journalists yesterday evening won the first round in their battle to prevent election campaign telecasts when the High Court of Justice issued a temporary injunction cancelling their back-to-work orders.

The journalists believe that with less than a month until election day, keeping the political messages off the air will pressure the government into acceding to their wage demands.

Central Elections Committee chairman Gavriel Bach said on Friday that he believes blacking out election messages in effect interferes with the electoral process. Accordingly, Bach asked Education Minister Zevulun Hammer to secure government agreement to order the journalists back on the air, and the government unanimously voted to do just that early yesterday.

The journalists then sought an injunction invalidating the orders. At 7.45 p.m. Justice Aharon Barak, duty judge at the High Court, issued a temporary injunction to that effect. A panel of five judges, however, is to meet today to decide if the back-to-work orders should be cancelled altogether.

Israel Television last night broadcast some music programmes and an abbreviated late-night news bulletin.

but the scheduled opening of the campaign messages was not broadcast.

Kol Yisrael relayed brief news bulletins every two hours yesterday, but otherwise remained silent. The Army Radio is the only station unaffected by the journalists' strike.

The journalists are seeking wage parity with their newspaper colleagues. In their struggle, the journalists maintained that their most powerful weapon would be blacking out the campaign material for TV. Yesterday, the first cassette of campaign film was delivered to Hanna Clapper, head of the presentation department at Israel Television. According to law, Clapper is the person who decides what is telecast.

Clapper was one of the 10 persons to receive the back-to-work orders yesterday, and in fact the only journalist. The other nine employees are technicians whose orders were rendered redundant at 5 p.m. with the signing of the public-sector wage agreement.

But the order against Clapper presented only one course of action for the striking journalists. They ordered their lawyer, Yehuda Resler, to race up from Tel Aviv to Jerusalem to seek an injunction against the back-to-work orders.

As part of his argument, Resler pointed out that no campaign material was broadcast.



Shimon Barda, handcuffed, is led away by Tel Aviv detectives after his capture in Netanya yesterday. (IPPA)

Lifta suspect nabbed at cafe in Netanya

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Shimon Barda, wanted by police on suspicion of supplying arms to the Lifta group, was captured yesterday by Tel Aviv detectives in a Netanya cafe.

Barda disappeared a few months ago when the Lifta group, whose members are suspected of planning to blow up the Dome of the Rock and al-Aksa mosque, was caught. Police said at the time that Barda might be the group's leader.

A team of Tel Aviv Central Unit detectives had been searching throughout the country, from Metulla to Eilat, since March, and it was feared that Barda had left the country.

Three detectives cornered Barda at noon yesterday sitting alone, drinking coffee at a cafe on the corner of Herzl and Smolensky streets. Fearing that the fugitive was

armed, the detectives called for reinforcements. When more detectives arrived from the central unit, they spread out stealthily around the cafe.

Two senior officers crept up behind Barda and pounced on him and the rest of the detectives came out of hiding simultaneously, surrounding Barda.

Barda put up a short but desperate struggle, but was soon overpowered and handcuffed.

After a "summary interrogation," Barda was transferred to the Southern Police District, which is handling the Lifta case. Police sources said yesterday that Barda's capture is expected to advance the investigation into the Lifta affair.

Police believe that Barda is the man who obtained the vast quantity of arms the Lifta gang stockpiled before the attempt on the Moslem holy places earlier this year.

Terrorist suspects moved

The Jewish underground suspects were yesterday transferred to Tel Mond jail from the Jerusalem Russian Compound lockup where they have been detained since their arrest two months ago.

The 24 suspects were taken in a police bus to their new quarters in the prison between Kfar Sava and Netanya. Prisons Authority spokesman Deputy-Warden Shimon Malka said there had been no request for special conditions for the prisoners. He stressed that such requests were

perfectly legitimate and were frequently received on behalf of many prisoners.

Tel Mond is normally reserved for young criminals, with more serious offenders sent to Ramle, Beersheba or jails in the north of the country. Tel Mond has a synagogue and a yeshiva.

The suspects arrived at Tel Mond yesterday under heavy security. Journalists were prevented from entering the prison. (Itim)

South Lebanon Army comes under attack

By MENAHEM HOROWITZ
Jerusalem Post Reporter

METULLA. — A hand grenade was thrown at a South Lebanon Army roadblock one kilometre east of Tyre at midnight on Saturday. SLA forces fired in the direction of the assailants, who fled.

At 3 a.m. yesterday morning, light arms fire was directed at an SLA patrol near Kafanya village in the central sector.

Also yesterday morning an IDF patrol discovered and dismantled an explosive device 1½ kilometres south of the village of Edvar in the central sector.

Ciskei investors fail to register here

By AVI TEMKIN
Post Economic Reporter

Only one of the several Israeli firms that have invested in the South African black homeland of Ciskei has requested the authorization of the Controller of Foreign Exchange as required by foreign-currency regulations. The Jerusalem Post has learned.

Among Israelis with commercial interests in Ciskei is former finance minister Yoram Aridor, who has reportedly signed contracts for the establishment of two factories. At least two other Likud Knesset members are also believed to have invested in the homeland.

According to the foreign-exchange regulations, persons plan-

ning to establish companies abroad need authorization from the Controller of Foreign Exchange. The controller usually grants the authorization on condition that the planned investment will benefit the economy and will develop its exports.

A spokesman for the central bank told The Post that as of yesterday only one company, dealing in textiles, had requested authorization to invest in Ciskei.

The spokesman could not say whether the controller plans to make any inquiries into the reports of a large number of Israelis investing in Ciskei. "To start any proceedings, we need information, and items appearing in newspapers are not necessarily true," he said.

Mubarak cautions Israel against staying in Lebanon

CAIRO (AP). — Israel's refusal to withdraw from Lebanon could lead to "negative consequences," President Hosni Mubarak warned yesterday.

Speaking at the opening session of parliament, Mubarak also urged Israel to negotiate an end to the dispute over the Tabar region of Sinai, which both Egypt and Israel

claim. "Any slowness in the withdrawal of Israeli troops (from Lebanon) will lead to negative consequences," Mubarak warned.

"We also ask Israel to take serious steps to resolve the dispute that it started over Tabar by mediation and arbitration," said Mubarak, adding that "no Egyptian will ever give up

any part of his land." Mubarak also stressed that the key to a comprehensive settlement to the Middle East problem is solving the Palestinian problem with the participation of the Palestine Liberation Organization. He called on Arab countries to unite and help solve the Palestinian problem, and told Israel it should not oppose peace.

Mubarak's wide-ranging speech concentrated on the May 27 parliamentary elections which opposition parties have claimed were illegal because of ballot-stuffing and fraud.

Mubarak yesterday offered to step down after a second six-year term in a gesture toward further democracy in Egypt.

Iraq breaks lull in Gulf War, strafes Greek oil tanker

BAHRAIN (Reuters). — An Iraqi air attack yesterday on a Greek-registered tanker in the Arabian Gulf broke a two-week lull in strikes on Gulf shipping and prompted fears of Iranian retaliation.

The attack followed by hours a emergency meeting in Riyadh of the chiefs of staff of the six Arab nations on the western side of the Gulf who were trying to map out a unified strategy to protect Gulf security.

An Iraqi military spokesman said over Baghdad Radio that Iraqi aircraft hit four "large naval targets" early yesterday. But only one attack, on the 152,372-ton Alexander the Great, was independently confirmed.

In Athens, a spokesman for the Merchant Marine Ministry said the vessel was loaded with oil when hit in an Iraqi rocket attack near the Iranian oil terminal of Kharg Island.

The ship's agents in Greece said none of the 26-crew members was injured, and the lightly damaged ship continued its journey to the mouth of the Gulf.

The last tanker hit in the 45-month-old war was the Kuwaiti vessel Kazimah on June 10, which Kuwait blamed on Iran.

There was no immediate reaction to yesterday's strike from Iran, whose parliamentary speaker said after the attack on the Kazimah that Tehran would not hit shipping in the Gulf if Iraq also refrained from doing so.

Iraq has unilaterally declared a war zone which includes Kharg Island in the northern Gulf, describing the island as a legitimate military target because most of Iran's oil exports are loaded there.

Shipping sources said Iranian ex-

ports had risen to about 1.5 million barrels per day during the recent lull in the fighting.

Egyptian President Hosni Mubarak, calling Iranians brothers of the Arabs, said yesterday Egypt will launch a new initiative in the next few weeks to end the Iraq-Iran war.

In a speech opening Egypt's parliament, Mubarak said, "We find that we have to take new steps in the next few weeks with the same quiet method that we have used before," referring to earlier Egyptian mediation moves within the framework of the Islamic and non-aligned movements.

Henry Kissinger speaks out

In today's Jerusalem Post we begin a monthly column on international affairs by the world's most celebrated statesmen. See page 10



Announcing... THE 5th NATIONAL SCRABBLE TOURNAMENT!

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EIGHT PAGES FROM SUNDAY'S
The New York Times
THE WEEK IN REVIEW
INSIDE TODAY

Professional unions unhappy with deal Wage accord signed, salaries to go up 15%

By JOSHUA BRILLIANT
Jerusalem Post Reporter

TEL AVIV. — The government and the public sector employers yesterday concluded a new two-year wage agreement with the Histadrut, providing for wage increases of some 15 per cent payable with July and August's salaries.

Under the terms of the agreement, July salaries, including any cost-of-living compensation, will be increased by 10 per cent, and August salaries will register a further increase. The August hike will be calculated at 6 per cent of June's salaries. (Photo on page 2)

In addition to these increases, the unions have been given an 8 per cent leeway to settle outstanding demands on an individual union level. If the unions are unable to reach agreement with the individual employers by October 1, workers will receive 4-per-cent increases with both their September and October salaries.

Yesterday's agreement was supposed to put an end to the strikes and threatened sanctions by various unions. But only the civil servants, the clerks and the technicians unions endorsed it. These unions represent a total of some 240,000 workers.

Legally, the signature of Histadrut trade union department chairman Haim Haberfeld binds all unions, but Haberfeld told The Jerusalem Post "the Histadrut has no police" and cannot force the other unions to comply.

Last night the central committees of the Histadrut Teachers' Union,

the University Graduates in Social Sciences and Humanities, and the Engineers Union rejected the agreement. The nurses are to consider their next step today and the social workers will meet later this week.

The agreement was signed at the end of a marathon round of talks, which began shortly before 9 p.m. on Saturday and ended at about 4 p.m. yesterday. Treasury Director-General Nissim Baruch and Haberfeld were joined after midnight by Histadrut Secretary-General Yisrael Kessar, called in to help overcome the final hurdles.

The five-page agreement specifically states that the various raises are designed to meet all the unions' demands, including their demand for raises to compensate for the increases given to the doctors. An appeal to arbitration for compensation for the doctors' raises is to be cancelled, the agreement adds.

In a separate agreement, Haberfeld confirmed to the government that the Histadrut was dropping its demand to give all workers the IS10,344 allowance given recently to some employees.

Other clauses in yesterday's agreement stipulate that two grades will be added to the top end of the wage scale on April 1, 1985.

Another clause states that next April the agreement will be re-examined "with the aim of preserving real income."

A further examination next April will check that the lowest wage level — grade 11 on the unified scale — has not fallen in comparison with the consumer price index.

The agreement does not provide

for any updating of income tax brackets. This means some employees may find themselves in higher tax brackets as a result of the wage increases.

Addressing yesterday's signing ceremony, Haberfeld said he "expected the government to update tax brackets and deal with other tax problems presented by the Histadrut." But the Treasury's Baruch said the tax issue can only be considered in the context of an overall agreement after the elections.

The professionals' main grievance was that their specific problems were not attended to, and that workers in the lower and middle grades were faring better under the agreement. Ya'acov Unikovski, representing the employees with degrees in social sciences and humanities, explained that recent fixed raises — such as the IS10,344 — represented larger percentage increases to workers in low grades than those in higher grades.

Yesterday's agreement did not correct the imbalance, and the net increase for the higher paid will be lower (in percentage terms) than for the lower paid because the professionals will pay more income tax.

The university graduates and the engineers' yesterday held a joint meeting in which they criticized the Histadrut's policy. Yitzhak Raz, the engineers' leader said the Histadrut favoured the Clerks and Civil Servants Unions, whose members are in the lower paying jobs, because they represent more voters.

They said the agreement should not be endorsed because it includes no compensation for educational

(Continued on back page)

Senior university staff agree to pay cut

By CHARLES HOFFMAN
Jerusalem Post Reporter

The senior university teaching staff has agreed to take a 6 per cent pay cut for one year to provide the funds in the country's higher education budget that will prevent further dismissals of junior faculty.

This was announced yesterday by Prof. Haim Harari at the first meeting of the ministerial committee on higher education, set up recently to deal with the financial crisis in the universities. Harari is chairman of the Planning and Grants Committee of the Council for Higher Education.

The ministerial committee is headed by Education Minister Zevulun Hammer, with Science Minister Prof. Yuval Ne'eman and Trade and Industry Minister Gideon Patt as its

other members.

Harari told the ministers yesterday that government allocations for higher education have dropped by 25 per cent in the last two years, and that the university system's deficit now stands at \$60 million.

This past year, he reported, purchase of books and equipment and maintenance of equipment have been severely curtailed due to the budget crisis, and over 100 junior faculty members have been fired. The government provides about 70 per cent of university budgets.

The voluntary salary cut by the senior faculty, which will save IS1.5 billion, will go into effect July 1.

The representatives of the council also demanded that the government either raise tuition fees as it had

planned last year, or restore the IS2b that was cut from this year's budget on the assumption that tuition would be raised.

Harari proposed that the government set up a special budget that would reach \$20m. a year to train the engineers, scientists and computer experts essential for the further growth of the country's science-based and defence industries.

He also noted that more money was needed to improve the teacher-student ratio in the universities, which has dropped over the last 10 years to a high school level. He warned that it would be necessary to limit university enrolments soon to prevent the ratio from worsening, if more money to hire more teachers were not allocated.

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THE WEATHER

	Yesterday's	Humidity	Min-Max	Today's
Jerusalem	33	13-26	28	
Golan	33	14-28	30	
Nahariya	36	16-26	28	
Safed	30	15-27	27	
Haifa Port	34	19-25	26	
Tiberias	37	17-29	32	
Nazareth	37	18-31	33	
Afula	37	17-28	31	
Shimon	37	17-28	31	
Tel Aviv	30	20-28	29	
B-G Airport	40	18-29	31	
Jericho	31	18-35	37	
Gaza	57	20-27	28	
Beerseba	24	16-32	33	
Eilat	11	23-37	38	

Spain vs. France in soccer final

Jerusalem Post Staff
Spain qualified to meet France in the final of the soccer's European Championship in Paris on Wednesday night, when they defeated Denmark in the semi-final in Lyon last night.

The match ended in a 1-1 draw, and with no further goals in extra time went to a sudden death penalty shoot out, which the Spaniards won 5-4. (See earlier story page 4)

Non-discriminatory law sought by disabled list

TEL AVIV. - A law to guarantee disabled individuals employment on the basis of their abilities instead of their disabilities is one of the goals of the Movement of Israel's Disabled, running in the current elections, its leaders announced at a press conference here yesterday.

"There is no reason why every blind person should be shunted into working a switchboard, even if he has a university degree," Yair Dor, No. 3 on the slate said.

Welcome to Israel
Rachel Reif
of Chestnut Hill, Mass.
delegate to the American Zionist
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She is a student
at Boston University.

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This Week - Civil Defence Exercises in the Nes Ziona, Yehud, Mitzpe Ramon and Tel Aviv-Yafo Areas

Civil Defence (Haga) exercises will be held this week at the following places:

Tuesday, June 26, between 8 a.m. and 4 p.m. - in the Nes Ziona area.

Wednesday, June 27, between 6 a.m. and 3 p.m. - in the Yehud area.

Thursday, June 28, between 8 a.m. and 4 p.m.:

* in the Mitzpe Ramon area

* in the Tel Aviv-Yafo area

During the course of the exercises, there will be simulated firing and explosions and the all clear will be sounded. In case of an actual alert, sirens will be sounded on an ascending/descending scale.

HOME NEWS

24 lists formally approved

By ASHER WALLFISH
Jerusalem Post Reporter
The Central Elections Committee yesterday approved 24 out of the 27 election lists which had met the statutory criteria with regard to sponsors, candidates and deposits.

Kach and the Progressive Peace List were disqualified by the committee by majority vote. Emuna withdrew of its own accord under pressure from the National Religious Party.

Kach and the PLP are appealing to the High Court against the ban.

A 28th list disqualified in an earlier stage because of improper registration procedures - the Quiet Force (Koach Shaket) list headed by Ya'akov Gross - has also appealed to the High Court.

In another decision, the committee agreed by a narrow majority to let the Labour-Mapam Alignment shorten its official name by dropping the references to the Independent Liberals and Non-Party supporters in the title.

Chairman Gavriel Bach sided with the Likud in objecting to the Alignment request on the grounds that lists which submit their requests to run under one name should not be allowed to make 11th-hour alterations.

Commenting on the election-propaganda broadcasts he was vetting, Bach said they conform to the spirit of the convention signed by the main lists, and hoped that the smaller lists would follow in their footsteps.

Likud denies publishing attack on Sarid

By SARAH HONIG
TEL AVIV. - The Likud last night categorically denied putting out a newsheet called *Mizak Hadashot* (news bulletin) in which Labour MK Yossi Sarid was branded an "Ashkenazi Nazi" (a combination of Ashkenazi and Nazi).

The bulletin was handed out to passers-by in various cities on Friday, Alignment information chief Moshe Shahal cabled Central Elections Committee chairman Justice Gavriel Bach, asking him to order the Likud to cease publication of the paper forthwith and to put the publishers on trial.

The Likud said it has nothing to do with the paper. The Likud spokesman added that "the alacrity with which the Alignment accused us is dirty electioneering and smacks of a deliberate provocation."

Sarid has already lodged a criminal complaint with the police, charging a conspiracy to harm his good name.

Ne'eman plays down the underground

Jerusalem Post Reporter
Science and Development Minister Yuval Ne'eman yesterday expressed regret at the sentence handed down against Jewish terror organization member Gilad Pell, saying: "One must not view membership in an organization that, albeit illegal, has as its goal defending settlers, as being as serious as membership in an underground working against the state."

Speaking with journalists, Ne'eman also said that a sector of Israeli society suffers from Diaspora inferiority feelings and the fear of "what the gentiles will think."

"There is no question," Ne'eman said, "that the Jewish people must strictly observe the rules of morality, in its own best tradition. But this does not mean that every event must

NEWS BACKGROUND/Sarah Honig

Likud sees TV slots as last hope to close gap

TEL AVIV. - The scheduled debut of the strike-threatened television election broadcasts last night has sent political temperatures soaring in both parties. The Likud regards its broadcasts as a last-ditch effort to prevent a possibly sweeping Alignment victory, while the Alignment's objective is not to slip back from the very healthy lead predicted by the polls.

If the labour disputes endangering the broadcasts do not prevent their screening, it is expected that the election spots will spice up this year's dull campaign. Up to now, the argument goes in both major parties, there has been no real campaign, with only several unexciting rallies, and arguments over newspaper advertisements which drew little voter attention.

The TV battle, however, is expected to be tougher and possibly dirtier. TV is particularly important in the campaigns, because it reaches almost every living room and is watched by thousands who would not bother leaving home to attend a political rally.

The Likud in particular, it is thought, will have to take a very aggressive stance in its broadcasts, since it has made no impact at all in the campaign so far. The Alignment has done well with its low profile approach and will try to maintain its lead and not to offend any floating voters, who in the recent past have tended to vote Likud.

The Likud has no time to lose. Its campaign workers are becoming despondent as poll after poll indicates that the Alignment lead is, if anything, widening. The Likud had hoped that the two parties would be



neck and neck by now.

The most recent poll, by Dahaf, published yesterday in *Yediot Aharanot*, shows the Likud with only 39 Knesset seats and the Alignment with 54.

These figures had their effect yesterday on both the Likud leadership and its election headquarters. Likud ministers who gathered at the Prime Minister's Office after yesterday's cabinet session engaged in mutual recriminations with Finance Minister Yigal Cohen-Orad the most common target. He was accused of refusing to realize that crucial elections are being fought. The ministers are demanding election economics and Cohen-Orad is opposing such measures.

At campaign headquarters, the chief argument centred on how to focus the campaign. Deputy Prime Minister David Levy, in charge of the campaign, and Justice Minister Moshe Nissim, in charge of the information drive, would like to concentrate less on economics and more on national issues such as the territories. They championed the Likud's "national camp" slogan.

But Gideon Gadot, who heads the TV production unit, said that what bothers floating voters is the economy. He suggested telling people that although there are problems, they never had it so good.

Herut 'hiding' the Liberals in the election campaign

By SARAH HONIG
Post Political Reporter
TEL AVIV. - Liberal ministers and Knesset candidates will not be stars or even supporting actors on the Likud's television spots. At most they will make an occasional appearance.

As in the 1981 election broadcasts, the Liberals will be kept a well-kept secret by Likud strategists. Not only are they not considered an electoral asset, but the belief in most Likud circles is that they are actually a liability. They will be kept from the public eye and the less the public sees of them, the better, Herut believes.

This, of course, hinges on whether there will be regular election broadcasts, as these are being jeopardized by strike threats.

But if the election spots are aired regularly there will be virtually no speeches by leading Liberals. If Liberals appear on the screen it will be by virtue of their jobs. Thus Energy Minister Yitzhak Moda'i will be featured touring the Hadera power station; Trade Minister Gideon Patt will probably be shown touring an industrial plant.

In the 1981 campaign the practice

Some in the Likud camp still hope to persuade former premier Menachem Begin to come to the aid of his party, at least on TV.

The Alignment is gearing itself up for the nearest thing to an instant response: a team of script-writers is poised to deliver a rebuttal to any Likud onslaught, within a day.

The most biting attacks are expected to come from comedian Sefi Rivlin for the Likud, and reportedly from the Gashash trio for the Alignment.

Likud crews have already filmed Prime Minister Shamir in a living-room setting, delivering something like a fire-side chat, which the Likud hopes will strengthen his image of trustworthiness.

Labour crews have filmed the Peres-Navon-Rabin trio in a smiling show of unity, also in a living-room setting. Navon will be prominently featured as the Labour TV star; Peres has been photographed with his grandchildren; and Rabin will be shown in a helicopter, surveying the borders.

Peres: Eban to get 'deputy premier' post

Jerusalem Post Reporter
Labour Party leader Shimon Peres has confirmed that if the Alignment forms the next government, Abba Eban will receive a position "on the level of a deputy prime minister."

In an interview with the *New York Times* over the weekend, Peres declined to comment on the reports that he had already promised the Foreign Affairs portfolio to former president Yitzhak Navon.

was similar. The only exception, Justice Minister Moshe Nissim addressed the public directly, calling for an orderly, peaceful campaign.

Liberal ministers who have been sent out on meet-the-public street corner tours or on rallies have thus far proved a public relations flop, it is reported from Likud headquarters, while their Herut counterparts are said to be crowd-drawers.

Nevertheless, the Liberal ministers are in all the top campaign forums to prevent too much of an outcry. But there are fewer Liberals today than three years ago among the campaign workers themselves.

Top Liberal in the campaigns is again Nissim, considered the electorally most attractive of party leaders. He has been appointed head of the information campaign, but much of the real decision-making is in the hands of Deputy Premier David Levy who heads the campaign headquarters. Another Liberal with a campaign job is Minister-without-Portfolio Sarah Doron who, with Herut's deputy-education minister Miriam Glazer-Ta'sa, co-chairs the Likud women's campaign. Likud headquarters estimates that 53 per cent of the party's voters are women.

Mapam: Platform too soft on compromise

Post Political Reporter
TEL AVIV. - Mapam, the Alignment's left-wing partner, intends to exchange letters with Labour over what it complains is "deliberately soft phrasology" in the Alignment platform regarding territorial compromise.

Mapam is unhappy that the present platform, unlike the 1981 elections manifesto, does not stress that the Alignment advocates territorial compromise. More specifically, Mapam is unhappy that in the clauses dealing with Israeli-Syrian relations, the platform does not mention that a new, negotiated border could pass "within the Golan Heights."

The 1981 platform advocated territorial compromise in the Golan. This time round, it was decided to leave the entire topic vague. Territorial compromise on the Golan.

Lahat 'shocked' to learn he'll do TV propaganda

By MICHAEL YUDELMAN
Jerusalem Post Reporter
TEL AVIV. - Mayor Shlomo Lahat says he was shocked to hear reports that he will present the Likud's election-campaign broadcasts on television.

Lahat, who is on a fund-raising tour in Europe for the Tel Aviv Foundation, telephoned his office yesterday and stated that while he had been asked to present the broadcasts, nothing had been confirmed. Lahat said that when he was approached on the matter he asked

though not ruled out, is not mentioned outright.

Mapam will decide on the exact wording of its letter to Labour Party chairman Shimon Peres at a closed meeting of the party secretariat Wednesday.

Mapam also stresses that its members reserve the right to vote independently in the next Knesset on all questions involving territorial concessions and Israeli sovereignty in the territories, including the Jordan Rift Valley and the Golan. At Labour's insistence, the Alignment platform speaks of strengthening settlements in security zones, including the Jordan Rift and other areas designated by the Allon Plan.

Overall, the Alignment platform is considered more hawkish this year, drafted with an eye to capturing the floating voter, which is seen as more hawkish than the Alignment's mainstream.

to discuss it first with a senior personality in the Likud campaign headquarters, but nobody had contacted him again regarding the broadcasts. Lahat is due to return at the end of the week, but will leave the country again eight days later for another trip in Europe.

MONEY. - A three-day international conference on the role of Jews in Mediterranean banking, finance and international trade between the 17th and 19th centuries will open at Bar-Ilan University tomorrow.



Histadrut Secretary-General Yisrael Kessar (centre) makes a point yesterday after signing the public sector wage agreement.

(Efty Sharir, IPPA)

Sporadic fighting in Beirut despite new security pact

BEIRUT. - Christian and Moslem militiamen battled intermittently along Beirut's green line yesterday, 24 hours after the announcement of a new security agreement designed to reunify the divided capital and end Lebanon's nine-year civil war.

Police said six persons had been wounded in fighting Saturday night, raising the weekend casualty toll to four killed and 57 wounded.

State and private radio stations said the newly appointed Lebanese Army commander, Gen. Michael Aoun, would call for a meeting of a six-man military council to work out a timetable for implementing the security plan, agreed upon at Saturday's meeting of the national coalition cabinet.

Aoun, a Maronite Catholic, must heal the wounds of sectarian war by reintegrating Christian and Moslem troops in an army in which many units split along confessional lines during the fighting.

Moslem cabinet ministers only accepted Aoun's appointment after long arguments with President Amin Jemayel, his close friend.

Political observers say he is more

right-wing than Gen. Ibrahim Tannous, the outgoing commander, whose dismissal was demanded by Moslem leaders for causing heavy civilian casualties and destruction in Moslem areas during the fighting.

Western military observers say Tannous is by far the best, most charismatic officer the Lebanese Army has, and Jemayel insisted that Aoun is the next best man to retain the loyalty of Christian troops and create a 50,000-man national force.

Jemayel warned that the troops might desert to the Christian "Lebanese Forces" militia if they feared the army would be emasculated under a weak commander or used against Christians.

The "Lebanese Forces" have openly threatened to back any mutiny by Christian troops against radical changes in the army.

Jemayel also argued that like Tannous, Aoun was a friend of Moslem soldiers under his command. His brigade, in fact, was one of the few that did not suffer major Moslem desertions during the fighting.

Even so, it took Syrian Vice-President Abdel Halim Khaddam to persuade the Moslem leaders to accept Aoun.

In exchange, Jemayel agreed to reforms under which he surrendered direct control of the army and Aoun must share command with a new, military council representing five other sects.

Beirut radio stations said Syrian President Hafez Assad conferred by telephone with Jemayel Saturday night on the new security plan. The stations said Assad wished the Lebanese government "success in the new course." (AP, Reuters)

With deepest sorrow and grief we announce the untimely passing of our dearly beloved

BENSION SHELEMAY

The funeral will take place today,
Monday, June 25, 1984 (25 Sivan 5744)
at 3 p.m., at Ramat Hasharon cemetery.

Buses will leave from the Mann Auditorium
Square Tel Aviv at 2 p.m.

His Wife: Ruth
His Sons: Eyal, Guy
His Mother: Miriyam
His Brothers: Solomon, Jack, Daniel
His Sisters: Mary Simons, Shoshana Nahum,
Margaret Bates, Aviva Shelemay,
Elana Shelemay and their families

To Mrs. Ruth Shelemay, Eyal, Guy,
and the bereaved family

Please accept the expression of our deepest sympathy
for the tragic and untimely loss of your husband and
our Managing Director

BENSION SHELEMAY

Chairman, Board of Directors and Staff
of Dimona Textiles (1979) Limited

To Mrs. Ruth Shelemay, Eyal and Guy

Our sincere and deepest condolences to you
and all the family for the sudden loss of your husband
and Managing Director of Dimona Textiles
(1979) Limited

BENSION SHELEMAY

Management and Staff of
Maurer Textiles S.A.
Geneva, Switzerland

The International Board of Directors
Administration and Staff
Shaare Zedek Medical Center, Jerusalem
share in the grief of our dear friend,

Esther Elefant
and her family,
on the passing of her father

JACOB PLATT
buried in Jerusalem.

המקום ינחם אתכם בתוך שער אבלי ציון וירושלים

In loving memory of

VIVIANNE

a woman of great courage
for the deep friendship between us.

Lou Adler

Haifa Symphony hopes for more subscriptions

Avruslmi maintained that he had not even been to the Peace Now demonstration on the night the grenade was thrown. He had been at his parents' home in the German Colony until about 8:20 p.m. and had then taken two buses to his own Neve Ya'acov apartment. He had heard about the grenade on the radio while on the bus. This was how he knew details of the crime which he later used in his confession.

Avrushi admitted that he had told his marriage counsellor that he would not appear for counselling that week because he had to go to a demonstration: but, he said, he was not talking about the Peace Now demonstration. He wanted to attend the demonstration two days earlier at the Prime Minister's Office "in support of Begin, Rafel and Arik Sharon".

Avrushmi maintained that he had not been telling the truth under interrogation. When asked by the prosecuting counsel whether he had said, "Peace Now people are crazy and should be destroyed," he admitted this, but said he had not "meant it."

Aytrushmi pointed out that he had not signed his confession. He demanded to know why Pinhas Ovadia, who later turned police informer, had been put in his cell after he had been charged with the crime.

In answer to another question, Avrushmi said he did not think that the person who threw the grenade intended to murder, because he had waited until after the singing of *Haikva* and the dispersal of the demonstration.

Had he wanted to murder people, he would have thrown the grenade earlier, he said. Here the court intervened to ask whether he was saying he had thrown the grenade, but had not intended to kill, or that he had not thrown the grenade at all. The suspect repeated that he had not thrown the grenade. (Itim)

TEL AVIV (Jtm). — The Military Appeals Court last week upheld the verdict of a lower court and upheld the four-year prison sentence of a soldier convicted of trading his rifle for a quantity of cocaine.

The soldier, a private, had been absent from his unit without leave for three weeks in January. When he returned without his weapon, an M-16, he claimed he had left it behind in a car without hitchhiking. Military police investigators, however, received information he had traded it to a drug dealer in Lod for

In reviewing his conviction by the Central District Military Court, the appeals court noted that the usual sentence in such cases is from six to eight years in prison. The appeals court further noted that the lower court had taken into consideration the fact that the soldier had since recovered his rifle from the drug dealer at great personal risk, had led to the arrest of the drug dealer and had been "enticed by the dealer to use and to become addicted to hard drugs."

Jerusalem Post Reporter
BEERSHEBA. — The Ethiopian Solidarity Week organized by the Absorption Ministry began yesterday in Ashdod, with a mobile unit packed with information about the increasingly visible community. Last year, most of the immigrants to Israel came from Ethiopia.

"We have no pretensions," said the ministry's spokeswoman. "We simply want to show people everywhere in the country that the Ethiopians are Jews like everyone else, very religious and with a high intelligence. They contribute to the country like everyone else and, I believe, within a decade they will strive for leadership positions."

Beersheba, which has the largest concentration of Ethiopian immi-

ants, has not set up any special activities for this week. But Ashdod and Ashkelon, which were the first to absorb Ethiopian Jews eight years ago, have arranged many events for today.

In Haifa, there will be an art exhibition today at the Fanny Kadan Community Centre. Mayor Yury Gurel is scheduled to open the show.

In the central region, all the mayors and their deputies are invited today to a day-long symposium on Ethiopian Jewry, including a movie, at Tel Aviv's Sinai Hotel. The Absorption Ministry plans to relocate future Ethiopian immigrants to the central region. Today, they are concentrated in towns in the Negev and Galilee.

Jerusalem Post Reporter
HAIFA. — An Israeli merchant marine radio officer, Eliyahu Kedem, 42, of Rehovot, was beaten to death near his ship in Galveston, Texas, last week.

His body will be flown home today and the funeral will be held in his hometown tomorrow. Kedem leaves a wife and two young sons.

Kedem was radio officer on the Palat Rosenfeld grain carrier, M.S. Rav-Aluf Mordechai Makleff.

The ship reached Galveston in May, but due to work pressure in the grain port, was kept waiting for the grain it is due to bring to Haifa.

Kedem went ashore on the morning of June 20, and his battered body was found in a sloop near the harbour at 10 o'clock that night. A piece of wood stained timber was found nearby. He was rushed to hospital, but later pronounced dead.

A company spokesman told *The Jerusalem Post* that although the \$21 found on his person is believed to have been all the money he was carrying, local police nevertheless believe he was beaten up by robbers, who then took flight and ran off without searching the body.

Local police had not reported any arrests by yesterday. The ship is due to sail for Israel next Thursday.

The settlers hoped to stop the car by on his way from his Beit She'an home to Jerusalem, but he did not

me that way yesterday. The demonstrators finally agreed to the request of the police to open the road, after closing it from 6 a.m. to 8.30 a.m.

Police prevented brawls between the demonstrators and angry drivers, who were backed up on both sides of the barrier at the Migfash-Mekka crossroads near the war memorial, some 40 kilometres north of Jericho. (Tim)

Jerusalem Post Reporter
The 200 members of the Technion's board of governors from 16 countries, started their annual meeting yesterday with the dedication of the South Africa Advanced Manufacturing Systems Building and Laser Laboratory, in the mechanical engineering faculty.

The South African Technion Society financed the building with a \$1.5 million donation, which they raised less than a year.

In the evening honorary fellowships were awarded to Frances Helen Cohen of the Winnipeg Technion Society; Nathan Kirsh, of

SOUTH AFRICAN SOCIETY: Theodore Engel, of the American society; in Calmer Miller of the American society; Leonard Rabinowitz, Israeli member of the board and Israeli Zionist Shlomo Zabludowicz. Awards were made in recognition of their devoted service and support of the Technion.

FORCE ARTISTS.—An exhibition of paintings and drawings by Air Force personnel opened yesterday in Aviv's Beit Sokolow. It will be on daily for the next fortnight from 9 a.m. to 6 p.m., closing 1 p.m. Friday.

By CHARLES HOFFMAN
Jerusalem Post Reporter

million to \$30m., "in spite of all the resolutions about working within a balanced budget."

expressions into cash transmitted to the LIA."

Both communities which raise funds through the UJA in the U.S. and those who do so through the Keren Hayesod in other countries are responsible for the growing deficit, Ravid said.

Another factor, he said, is the "missing link between the enthusiasm and commitment of (Diaspora representatives) coming to the neighbourhoods and authorizing budgets, and the translation of these

ACRE (Itim). - Thirty-two Druse youths from Western Galilee who had attempted to evade enlistment into the Israel Defence Forces have been arrested during the past two weeks by Border Police units and taken for induction. Seventy youths are still being sought.

The Border Police is conducting the crackdown on the draft evaders

in cooperation with the police and the Defence Ministry. Most of those apprehended are from the village of Yirka near Acre and some are to be charged with draft evasion.

induction centre that they did not want to report for enlistment for fear they would be sent to Lebanon and be wounded.

A few objected to serving for religious reasons. Certain radical Druse religious leaders have long called for the community's youth to refuse induction.

NAZARETH (Itim). - A night watchman at Ein Gev car park was charged yesterday in Nazareth District Court with shooting dead a man whom he thought was trying to steal from the car park.

f shooting man dead

BAT YAM (Ilim). - A Jerusalem yeshiva student was drowned on Saturday at the Bat Yam surfing beach, when swimming with three companions. Salvador Yehoshua Cohen, 17, from Argentina was swept away. Police and Coast Guard patrols summoned to the scene failed to locate him. Yesterday morning his body was washed ashore.

The key issues of the assembly are settlement, aliya and education. Delegates will be asked to approve a \$360 million budget for the 1984/85 fiscal year.

There was little activity in the Jewish Agency offices yesterday because most employees were out on strike. A skeleton staff attended to final preparations for the assembly.


VISIT. — UN medical officers, mainly serving on the Golan Heights, yesterday visited Magen David Adom clinics in Kiryat Shmona and Tiberias.

"I wanted peace, and I did my best to ensure that the opportunity would not slip by. I knew what a great strategic loss would be involved in giving up the Sinai and what an enormous risk Israel would be taking upon herself."

"Should war break out after Sadat's far reaching stride toward an understanding with Israel, it could undermine the motivation of many young Israelis. Whenever they had been called upon to go to war in the past, our men knew they had been summoned because there was no other choice open, because all other options had been exhausted. Now, for the first time, they were liable to ask themselves whether their national leadership had done everything in its power to prevent war by the setting of the country on a peaceful course."

-Ezer Weizman, "The Battle For Peace"

"In 1978, negotiations between the leaders of Israel and Egypt began. Many people did not believe that they would achieve anything. Ezer Weizman, then Defense Minister of Israel, a well known hawk, a man who had proven himself as Commander of the Air Force and Head of IDF Operations, steadfastly strove to bring both sides together and reach a peace agreement because he deeply believed that "peace is the best security for the State of Israel."



I believe in Weizman!

YAHAD- TOGETHER WE CAN BUILD A BETTER ISRAEL

India plans broad reform of Punjab state government

NEW DELHI (AP). — A Hindu priest and a Sikh militant were killed in Punjab yesterday, and an official of the Sikh-dominated district said the administration there will be restructured before the military is withdrawn.

Indian Deputy Home Affairs Minister P. Venkatasubbiah said the state government had collapsed in the face of Sikh terrorism before the Indian Army invaded the Golden Temple. The government said the raid was necessary because the temple was a base for Sikh extremists.

"The entire Punjab administration, including the police force, is to be restructured," the United News of India quoted Venkatasubbiah as saying in Madras.

He did not say what steps would be taken to overhaul the government.

Army troops combing the coun-

tryside for Sikh terrorists arrested 28 suspects yesterday, the government announced. The arrests increased the number of detainees since June 4 to 4,240, according to government count.

In a gun battle between soldiers and Sikh extremists, one militant was shot to death and four captured in the village of Bhurewal, 400 kilometres north-west of here near Amritsar, the official spokesman said.

Suspected Sikh terrorists fatally axed a Hindu priest in Punjab's Hoshiarpur district, state police reported.

In Uttar Pradesh state, Prime Minister Indira Gandhi told a public meeting yesterday that the army was called out because Sikh protests had "slipped into the hands of terrorists, anti-national elements and smugglers."

Shultz: Hit terrorists before they have a chance to strike

WASHINGTON (Reuters). — Secretary of State George Shultz, reaffirming America's determination to combat terrorism, yesterday urged U.S. allies to consider pre-emptive action to root out terrorists before they strike.

Shultz said the discussion of pre-emptive measures at the London economic summit this month was a welcome sign that the industrial countries of the West "share a common view of the terrorist threat."

No details of the pre-emptive action discussed at the summit were disclosed. But in a declaration, the

leaders of the U.S., Japan, West Germany, France, Britain, Italy and Canada said they are resolved to develop new measures in the fight against terrorism.

Shultz's call for pre-emptive action was contained in a speech prepared for delivery to a conference on international terrorism at Washington's Jonathan Institute.

He did not specify what actions should be taken, but said it is time for western democracies to abandon "passive defence" against such groups.

Thousands gather in Paris to protest school reform

PARIS (AP). — Hundreds of thousands of people swarmed through the streets of Paris in a day-long demonstration yesterday to protest a new measure passed by the National Assembly reforming the nation's private schools.

Opponents of the bill, which has yet to be reviewed by the Senate, believe it encroaches on freedom of education and is the first step toward integration of France's public and private school systems.

Two million of the country's 12 million schoolchildren, nearly 16 per cent, attend private schools, 94 per cent of which are Roman Catholic. Though called private schools, they in fact still receive substantial public funding.

The reform bill passed by the assembly in May gives private school

teachers the option of retaining their current status or choosing civil service ratings.

The flow of demonstrators lasted throughout the day. Thousands of riot police and gendarmes remained out of sight in buses around the city, leaving security to about 25,000 people designated by the organizers and wearing orange armbands.

The organizers said by mid-afternoon the number would be 1.5 million or more.

Quake hits S. Domingo

SANTO DOMINGO (AP). — A strong earthquake hit the eastern end of the Dominican Republic yesterday morning, but there were no immediate reports of casualties or damage.

Democratic platform certain to be challenged

WASHINGTON (AP). — The 184-member Democratic Platform Committee on Saturday unanimously approved a 35,000-word political document tailored for Walter Mondale's political candidacy, but also borrowing heavily from campaign promises of Sen. Gary Hart and the Rev. Jesse Jackson.

Approval came after the Mondale-dominated panel rejected a succession of efforts by the former vice-president's two rivals to win further concessions.

That set the stage for floor battles next month at the party's nominating convention in San Francisco over defence and foreign-policy planks.

However, representatives of Hart and Jackson said their candidates were generally satisfied with the platform, a statement of party philosophy and goals containing a stinging indictment of President Reagan's

economic policies.

Hart representatives indicated they intended to bring to the convention floor a rejected proposal urging that U.S. military force not be used in any part of the world where U.S. objectives are not clear.

Hart originally had proposed a tougher plank ruling out the use of land forces in any oil war in the Arabian Gulf. But that measure was repeatedly blocked by Mondale delegates, and on Saturday even Hart's watered-down version was turned down by the panel.

Hart delegates will also help Jackson's supporters round up the necessary votes at the convention for a minority plank on Jackson's proposal for a 20 per cent cut in defence spending.

The platform blasts huge federal deficits under Reagan's four-year term, vows to restore many cuts in

domestic programmes made by the Republican administration and urges "sensible arms-control agreements."

Meanwhile, San Francisco Mayor Dianne Feinstein, the first woman interviewed by Mondale as a possible running mate, said Saturday that a female president "is no longer incomprehensible" to most Americans.

The mayor conceded that she once thought the fact she is a Jewish woman from a controversial city might be too much of a handicap.

"Obviously, there would be some who would make a decision based on my religion and say, 'I'm sorry, I can't go that way,'" she said.

But she said a number of people told her "Kennedy (a Roman Catholic) went through it for everybody and people are looking at the White House differently."

Allies kept mum on Japan's alleged use of poison gas Silence said price for germ-war secrets

LONDON (AP). — Japan used poison gas and other chemical weapons in its war against China from 1937 to 1945, but the U.S. and Britain kept it secret in exchange for Japanese information on germ warfare, *The Observer* reported yesterday.

A Tokyo report in the weekly said the chemical-warfare facts, discovered after the end of World War II, were not revealed to the Tokyo war-crimes tribunal to protect U.S. and British interests.

The Observer said the facts are in a report by a team of American investigators that has been declassified in the Washington National Archives, which it did not otherwise identify. It said a secret memorandum from the Joint Chiefs of Staff in Washington to Gen. Douglas MacArthur in July

1946, forbade disclosure of Japanese chemical warfare to anyone other than the British Commonwealth without reference to the JCS.

"While neither the British nor U.S. defence establishments were interested in the old-fashioned, but deadly, Japanese chemical weapons discovered, Japanese developments of sophisticated germ-warfare weapons were treated as essential to allied security," the report said.

"Immunity from prosecution for Japanese who used chemical weapons was the price given to members of the notorious 731 Division in exchange for their germ-warfare data."

Although Japan was a signatory of the 1925 Geneva protocol banning offensive use of chemical and bacteriological weapons, investigations in

China by U.S. prosecutors attached to the Tokyo tribunal found there were 36,968 Chinese casualties of Japanese poison gas, of whom 2,086 died, the report said.

The Observer said that Japan established a chemical-warfare training school in 1933 at Narashino, 33 kilometres east of Tokyo, and turned out some 3,350 chemical-warfare experts "most of whom participated in the 1,312 recorded cases of chemical-warfare use in China."

The report said most of the poisons were produced on "Okunoma Island, off the coast of southern Hiroshima." It added that the island is now used by about 100,000 Japanese vacationers every year, unwittingly bathing in waters "where huge amounts of chemical weapons were put to rest."

Police raids revive fears of political strife in Portugal

LISBON (AP). — The detention last week of 42 people, including revolutionary hero Lt.-Col. Otelo Saraiva de Carvalho, in a nationwide police crackdown against an extremist group has served as a catalyst for reopening traditional political animosities in Portugal.

Begun before dawn Tuesday, the police operation entailed court-ordered searches and detentions all over the country, with agents turning up quantities of explosives, illegal automatic weapons and stocking masks.

Some Portuguese saw political significance in the police actions. Controversial security bills proposed by

the government were due to be debated the same week in parliament. Controversy has also arisen because one of the houses searched was Saraiva de Carvalho's.

"I have heard this (crackdown) could have been done one or two, or even three months ago," parliament deputy Cesar Oliveira of the tiny centre-left party UEDS, said in a newspaper interview Thursday. "I don't understand why it was done now."

Otelo, as Saraiva de Carvalho is popularly known, is an active duty, and subject to military law. His house was searched by civilian police last Tuesday. He was detained by civilian police the following day, and placed in custody in a civilian prison to be held incommunicado for 20 days.

The security laws before parliament will build a civilian intelligence system to compete with the military's monopoly intelligence-gathering.

Otelo was the chief planner of the April 25, 1974, military coup that brought down 48 years of right-wing dictatorship. He also led the all-powerful military police during the 18 months of Portugal's revolution.

Judge orders arrest of Argentine ex-president

BUENOS AIRES (Reuters). — A federal judge has ordered the detention of former Argentine president Roberto Viola in connection with the disappearance of a state technician in late 1978.

Berri, who is also leader of the Shi'ite Moslem militia Amal, said last night police were making every effort "to solve this deplorable crime so that the criminals may meet their just retribution."

According to security sources, Loitzenbauer was shot after refusing to hand over his car to two armed men as he and his wife were parking it outside their West Beirut apartment.

Beirut (Reuters). — The Austrian diplomat Gerhard Loitzenbauer, shot dead in West Beirut on Saturday, was resisting an attempt to steal his car, according to the Lebanese Justice Minister Nabih Berri.

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Vietnam pares army strength in Kampuchea

HO CHI MINH CITY (AP). — A military convoy of some 3,000 soldiers arrived here from Kampuchea yesterday, and Vietnamese officials said the move was part of a planned partial withdrawal of its troops.

Vietnam says the withdrawal is the third in three years and will, by the end of June, bring out of Kampuchea about 10,000 of its occupation troops, which western estimates put at 150,000-170,000.

Since its 1971 invasion of its neighbour to the West, Hanoi has been trying to stamp out a guerrilla force of up to 50,000 led by Kampuchea's former rulers — the Communist Khmer Rouge. Prince Norodom Sihanouk and Son Sann, leader of the Khmer National People's Liberation Front.

Hanoi's invasion toppled the Khmer Rouge and the Vietnamese have since painted themselves as Kampuchea's liberators.

In an interview, Vietnamese Ambassador to Kampuchea Ngo Dien said Vietnam can gradually withdraw its forces since the Kampuchean Heng Samrin army has grown increasingly strong.

He also strongly rejected charges that the withdrawals were troop rotations.

Foreign journalists invited to witness the ceremonies on the route from Phnom Penh to Ho Chi Minh City saw about 150 Vietnamese military trucks and jeeps carrying the troops.

Secrecy surrounds U.S.-Nicaragua talks, due today

MANAGUA, Nicaragua. — U.S.-Nicaragua talks on easing tension between the two countries are to resume today in Mexico, according to government sources here.

The sources, who declined to be identified, said the meeting was agreed on last Thursday in Washington, but said U.S. State Department officials have refused to confirm the meeting publicly, preferring to keep the talks "private and confidential."

According to the Mexican government news agency, the talks are to take place in the coastal city of Manzanillo, 1,000km. west of Mexico City.

The meeting would be the second between the two states since Secretary of State George Shultz's surprise visit to Managua on June 1.

The U.S. supports the guerrillas who are attempting to overthrow the Marxist government in Nicaragua.

"There are many meetings to take place. We would prefer that it would be private and confidential and not under the glare of the media," said a spokesman who requested anonymity. (AFP, AP)

Ex-champ Spassky to play chess for France

PARIS (AP). — Boris Spassky, the former Soviet world chess champion who has lived in France since 1976, will play "under French colours," an official of the French Chess Federation announced Saturday.

Jean-Claude Loubatiere, responsible for selection of players representing France in international competitions, said that Spassky made the decision to play for France on June 10 because of the "hostility manifested towards him by the Soviet Chess Federation since August 1982."

The former Soviet grandmaster is married to a French woman, and became a French citizen in 1978.

Japanese protest

TOKYO (Reuters). — Thousands of Japanese demonstrated in Tokyo yesterday against U.S. plans to equip its Pacific fleet with Tomahawk cruise missiles capable of carrying nuclear warheads.

Murdered diplomat resisted theft of car

BEIRUT (Reuters). — The Austrian diplomat Gerhard Loitzenbauer, shot dead in West Beirut on Saturday, was resisting an attempt to steal his car, according to the Lebanese Justice Minister Nabih Berri.

Berri, who is also leader of the Shi'ite Moslem militia Amal, said last night police were making every effort "to solve this deplorable crime so that the criminals may meet their just retribution."

According to security sources, Loitzenbauer was shot after refusing to hand over his car to two armed men as he and his wife were parking it outside their West Beirut apartment.

"Although initial information indicates that the aim of the attack was the theft of the victim's car, this does not reduce the gravity of the incident," Berri added.

As leader of the powerful Shi'ite militia, Berri has tried to prevent West Beirut from sliding into total anarchy since the Moslem takeover, but daylight armed robberies and kidnaps have been frequent.

In another incident on Saturday, Libyan diplomat Mohammed Moughraby and his two bodyguards were kidnapped by 10 gunmen at West Beirut's Bristol Hotel. They offered no resistance and have not been heard of since.

Sports

Sun kings near eclipse

Post Sports Staff
France, described as the "sun kings" of today's soccer, came close to being eclipsed by the unknown star of Portugal in Sunday night's two-hour thriller in the semi-final of the European Championship in Marseille.

Before Michel Platini scored his 119th minute goal to give France the victory in the dying moments of extra time, it seemed that the French vision of grandeur would turn into a nightmare.

"I thought we came back from hell. When Portugal scored in extra time, I thought our dream of reaching the final was shattered. I really thought it was my last game," French manager Michel Hidalgo said.

Hidalgo hopes to crown his imaginative eight-year reign in the final in Paris on Wednesday before abdicating his throne.

While Platini, European footballer of the year, who has scored eight goals in four games in this championship, provided the storybook finish, the real hero of the French side was the young Jean-Francois Domingos, who celebrated his 27th birthday by scoring two brilliant goals.

For gallant underdogs Portugal, who he deserved to gain at least a draw at the end of 120 minutes, the star was Rui Jordao, a 31-year-old veteran who has been in the national team for 12 years. He scored two goals, one a volley and the other a perfect header, and wandered in and out of the fragile French defence like a ghost. It was no wonder that the French talked of "a nightmare."

Decker does it

LOS ANGELES (AP). — Mary Decker, the U.S. premier woman distance runner, who is determined to compete in the Olympic games for the first time, won the women's 3,000m. race in the U.S. Olympic track and field trials on Saturday night.

The 25-year-old world champion was timed in 8 minutes, 34.91 seconds, the fastest by an American this year and the second-fastest in the world, to earn her Olympic berth.

Recently, she said, "I got caught up in thinking about the Olympics. I've really enjoyed thinking about the whole Olympic thing. The last time (1980) was such a let-down because of the American boycott."

Meanwhile, there are indications that the women will win their fight to have the 10,000m. included in the 1988 Olympic programme. The IAAF (International Amateur Athletic Federation) has recommended this inclusion to the International Olympic Committee, which determines events for the Olympics.

Not too old at 37

By JACK LEON
Post Sports Reporter
HERZLIYA. — Second-seeded Yonatan Ben-David, 37, surprised many by regaining his 1982 Olympic title at the Israel Squash Racket Association's eighth national championships here. He cruised past No. 4 seed Phil Bjornsen, 26, by 3-0 (9-2, 9-4, 10-8) in the 40-minute final. The week-long tournament was held at the Herzliya Squash Center, under the sponsorship of Bash-Gal Sheba Sports.

Berman — a former long-time South African field hockey captain — defeated six-seeded Barry Ousley 3-0 in his semi-final. In the other half of the 64-draw, Bjornsen reached the last 16 with an upset 3-2 victory over No. 1 seed Jayvi Nathan, holding on tenaciously to win the last game 9-5, after the favourite had come back from a 0-2 deficit to level at 2-all. Nathan went on to beat Ousley 3-1 in the match for third place. Berman is also through to the last round of the over-35 competition, with his final opponent Peter Sharrock scheduled to take place next week-end. James Ambrood defeated Maurice Wilensky 3-0 in the over-45 final.

Nadine Senguer, 22, retained her title in the 16-draw women's event, sweeping past Cheri Levine, 16, 3-0 in the last round, for the lots of only two points. Vivian Brodie beat Leora Jossan in the contest for third place, also in straight games.

Israeli disabled win medals

By JACK LEON
TEL AVIV. — Israeli sportsmen won two more medals — one gold and one bronze — over the weekend at the Third International Games for the Disabled in Uniondale, New York.

Yaron Epstein gained the gold medal in table tennis by virtue of a 2-1 victory over his Swedish opponent in the final. Swimmer Miri Siso took the bronze in the 100m. breaststroke.

In volleyball, Israel scored a five 2-0 victory over Germany. Israel had earlier collected four medals at the games, two silver and two bronze.

Israel is represented by 32 athletes at the 54-nation meet for blind people, amputees and cerebral palsy victims. A total of 3,000 athletes are participating in the event.

Baseball: Saturday

National League
Chicago 12, St. Louis 11, 11 innings; Los Angeles 18, Atlanta 2; New York 2, Montreal 3; San Diego 5, Cincinnati 2; Philadelphia 7, Pittsburgh 5; San Francisco 7, Houston 5.

American League
Detroit 5, Milwaukee 1; Toronto 9, Boston 3; Oakland 5, Texas 1; New York 5, Baltimore 4, 11 innings; Minnesota 4, Chicago 3; Kansas City 4, California 5; Cleveland 11, Seattle 4.



Israel Lands Administration Central District

Offer of Lease of Plot for Construction of 26 Housing Units at Ramat Eliahu — Rishon LeZion

Tender No. 37/34/M

The Israel Lands Administration invites bids for a contract for the development of a plot, details of which at the time of publication of the tender are as follows:

Block	Parcel	Approx. area (sq.m.)	Total building percentage on 4 floors (incl. balconies)	Minimum price IS	Deposit IS
7281	153	2174	145%	34,184,247	1,700,000

On the plot stands a 4-story building frame. Ten housing units may be built per storey, giving a total of 40 housing units. Building status — concrete frame with half of the external walls completed, floor tiled. The plot has been assessed on the basis of the currently applicable Municipal Building Plan No. 1/1 R2 and the above data. Details, sample contracts and bid forms are available at our Tel Aviv district office, 88 Derech Petah Tikva, Tel. 335211, during regular working hours. Deadline for submitting bids is 12 noon on July 25, 1984. Bids not found in the tenders box at the above time, whatever the reason, cannot be considered. The Israel Lands Administration does not undertake to accept the highest or any bid.

Israel Lands Administration
Haifa District

Arim Urban Development
Co. Ltd.

Offer of Lease on 4 Plots for Construction of 12 Housing Units per Plot at Kiryat Yam

The Israel Lands Administration invites bids for a contract for the development of land, details of which at the time of publication of the tender are as follows:

Tender	Block	Parcel	Plot	Approx. area	Development costs (IS)*	Minimum price (IS)	Deposit (IS)
29/84/H	10425	14	154	3574	9,667,296	15,048,948	750,000
40/84/H	10425	14	154	3574	9,667,296	16,704,331	835,000
41/84/H	10425	14	156	3009	9,667,296	15,000,170	800,000
42/84/H	10425	14.16	157	2531	9,667,296	16,402,352	820,000

* Linked to April 1984 building index (230.7 points), and to be paid separately to Arim, in accordance with the development contract to be signed with that company.

On the Municipal Building Plan (No. 280) the area is designated a residential area (type gimmel) and 3-story housing construction will be permitted — 12 housing units per plot, each unit of 130sq.m., gross area. Details, sample contracts and bid forms are available at our Haifa district office, 15 Rehov Ha'atzmaut, Tel. 04-660891, during regular working hours. Last date for submitting bids is 12 noon on July 25, 1984. Bids not found in the tenders box at the above time, whatever the reason, cannot be considered. The Israel Lands Administration does not undertake to accept the highest or any bid.

Israel Lands Administration
Central District

Offer of Lease on Plot for the Construction of 16 Housing Units in Ashdod — Yod-Alef Quarter — Tender 38/84/JM

Bids are invited from those interested in signing a development contract for a plot, the details of which at the time of publication of the tender are as follows:

Urban building plan	Plot no.	Approx. area sq.m.	Total building percentage on 4 floors	Minimum price IS	Deposit IS
7/592 Z	400	1,840	120	23,566,895	1,100,000

The urban building plan prescribes a building percentage of 30 on each of four floors — a pillars floor. Number of units: 16, plus 25% for construction of balconies only. Details, sample contracts and bid forms are available at the Administration's Jerusalem district office, 34 Rehov Ben Yehuda, Tel. 224121, during regular working hours. Last date for submitting bids is 12 noon on July 25, 1984. A bid not found in the tenders box when it is opened, whatever the reason, cannot be considered. No undertaking is given to accept the highest or any bid.

Israel Lands Administration
Haifa District

Kiryat Tivon Local Council

Build Your House in Tivon

In cooperation with the local council, the Israel Lands Administration announces registration for the above scheme, under which 10 two-family plots will be allocated for the construction of 30 housing units. Registration will be at the offices of the Engineer of Kiryat Tivon Council, starting June 26. Registration is possible between 9 a.m. and 12 noon on Sunday, Monday, Tuesday and Thursday. Registration will close at 12 noon on July 22, 1984. Additional particulars and a detailed prospectus are available at the office of the Engineer of Kiryat Tivon.

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DON'T WASTE PRECIOUS NATURAL RESOURCES SAVE WATER

Context

JEWISH EDUCATION — what's it all for anyway? I complain to Barry Chazan. People get bored when they see the word in the newspaper. "I know," says the 42-year-old, laconic Chazan. "That's the trouble. But you see, it's that moment when your child connects with his past."

Dr. Barry Chazan is disarming. A moral education scholar, he is blond, skinny and often strives to give the impression that his deeper interests are jogging. Billy Joel and Little Richard. As director of the Samuel Melton Centre for Jewish Education in the Diaspora at the Hebrew University's School of Education on Mount Scopus, he sits lightly in a pompous environment.

Last week Jerusalem saw the World Leadership Conference for Jewish Education and all this week Mount Scopus will host the Melton Centre's own Research Conference on Jewish Education. Just how many Jewish education conferences does one summer need?

Chazan points out that this week's effort, which brings over 100 academics and delegates from all over the world, is a research conference and there's only been one of them since 1947. "It's because the Jewish world doesn't take

A piece of the past

By SUSAN BELLOS/Jerusalem Post Reporter

research seriously. They feel the threat of assimilation so urgently that they all say: yes, yes, more and more Jewish education. Fewer people have asked: why, what for, and where's it going?"

The Research Conference will be about questions such as: what can be learned from the past in Jewish education and what can Jewish education learn from the social sciences, particularly educational psychology? The location will also be of some relevance. The Melton Centre has 50 full-time scholars specializing in Jewish education in the Diaspora, a figure unmatched by any other university department

in the world. Says Chazan: "We will be telling them, nicely I think, that Israel has arrived in the teaching of Jewish education in the Diaspora."

Social science in Jewish education means examining questions such as whether Hebrew language teaching should be the traditional 12-year spread or whether it can be learned better by intensive study within fewer years. Perhaps the psychology of character development will also help indicate, Chazan suggests, the age at which Diaspora kids are most receptive to Hebrew and Jewish learning.

THERE WILL BE some very well-known scholars at the conference.

Big bucks in Beersheba

By LIORA MORIEL/Jerusalem Post Reporter

here for?" First timers like me are assured that they have nothing to fear. Those who are familiar with the scenery will probably return again. And again. It's a game, and what's a game for if there's no chance of being caught?

Half the people are here for speeding. Some were clearly unlucky, caught going 61 km. per hour. One notch less on the speedometer and the cops would have had to shoo them away without even a warning. Others are chronic speed freaks who should perhaps get together and set up a facility for racing in the desert rather than on the highways, which are dangerous enough, usually, within the speed limit.

Then there are the peculiar

offences. A Beduin, for example, apprehended because his windshield was so muddy and dusty that it made vision nearly impossible. Someone recently tried to explain the bad habits of Israeli drivers by the theory that most of them are first-generation drivers, that their parents never had a car.

This certainly explains the cautious driving of the Beduin, but how can it explain the reckless driving of almost everybody else? And everybody seems to turn into and out of streets as if by afterthought, without signalling. That's what makes the traffic policeman's job so easy and the process so lucrative.

The judge enters, not the Hanging Judge. Relax. Now come the lawyers (you can take a lawyer to this court,

like any other, for a fee.) They manage invariably to get a deferment. A lesson in the old truths: time is money, and money buys time.

I met a man the other day, a new Israeli, who recounted an experience at the traffic court in Rehovot. It took him four hours just to get registered, then another few to get into the courtroom. In the end, after a lot of sweat, he was given a small fine and sent to the office to fix up his expired papers. He then found out that he could have done it all through the mail.

BUT I wouldn't have missed my day in court for the world. This is probably the only court in the land where justice is meted out equitably to all. And since everybody ends up being given at least a fine to pay, the government makes a mint. Crime pays — for the collector.

A young doctor, one of the leaders of the hunger strike at Beersheba's Soroka hospital last year, is here, having whizzed past a police car on his way to the hospital one night. The police prosecutor comes up with a computerized past, showing that the doctor has been caught for illegal driving before.

The young man calmly points out to the judge that, at age 13, he could hardly have been driving with a licence and that, in any case, this was a long-past childhood prank. He gets a fine and a suspended sentence.

But what a small price for such an important, unselfish contribution to the general welfare, the bolstering of the national economy!

rowly defined. Others ask whether it isn't rather rude to weigh and measure out the Jewish spirit.

The plain fact is that pluralism in Jewish education today may be making a virtue out of a necessity. For even if any kind of a line were ever laid down at any gathering of Jewish educators, nobody could ever enforce it. As Chazan says: "There's no centralized policy, nobody can tell a Jew in Mexico or Montreal how to interpret his Jewishness. Every Jew can and does make his own Shabbat."

CHAZAN is wary of spelling out his own Jewishness. The closest he will say is, "It's an 'X', a thing, a world view which affects, informs and enriches one's life. It's not an ideological package."

What this conference can do, Chazan says, is to provide "good, authentic models," which, he explains, are examples of "good schools which teach specific things such as Hebrew, Zionism or religion, in a serious way. This means schools which don't water down."

The models are there for the taking. It will be up to the Jews concerned to pick their own categories — or ideologies.

A youth, one month on the road, tells the judge it was wide and empty and, therefore, he assumed that the speed limit, although within the city's boundaries, was 60. The police prosecutor calmly hands the robbed judge a photo taken at the scene, showing parked cars and even vehicles moving along the road. A fine, a suspension.

By the time my turn comes, half my arguments are forgotten and I'm almost tempted to say nothing. But I rally and give him an excerpt from my speech. The judge says he's taken the argument into consideration — the prosecution, after all, has asked for a fine only — and decides on a sum that is neither light nor severe. An expensive warning.

Happily, my argument later helped a friend lighten his sentence from the Hanging Judge at the District Court appeal. A month of *milum* also made the suspension of his licence less excruciating.

Another new Israeli who has had her share of tickets told me philosophically: "I love it when I'm stopped because I learn from it. I never make the same mistake twice."

The only side-effect from my little lesson is that now I pay almost as much attention to the speedometer as to the road.

But what a small price for such an important, unselfish contribution to the general welfare, the bolstering of the national economy!

FORKED TONGUE

RANDOMALIA/Miriam Arad

WHATEVER your ulpan teacher may have told you, Hebrew is a terrible language. Beautiful, yes, but so difficult, so full of traps for the unwary and the wary, that even those to the language born can't open their mouths without sinning against some rule or other.

A major reason is that Hebrew words won't stay put. Not just the verbs, of which more in a moment, but the nouns as well. To give a plain example, *bayit* is a house, but add the preposition "in" and it becomes *bayit* (i.e., *be-bayit*: add on the definite article and don't be too clever, because then it reverts to *bayit* again: *be-bayit*. Likewise, you may live in Petah Tikva, but in case you are asked, you should say you live *be-petah tikva*. It's enough to drive one round the bend.

As for the Hebrew verb, it's as

changeable as a chameleon. Worse, you barely recognize it under its different guises, for who would ever suspect that *nafalti* and *eppli* are one and the same verb — to fall — with only a change of tense?

Don't feel bad about it, though: nine out of 10 sabras haven't mastered the tenses either. They mix up the present *nireh* (it appears) with the past *nira*; they don't know whether gefilte fish is *dag memule* or *dag memuleh*, and invariably get such a simple form as "he'll catch" wrong, saying *yifos* instead of *yifos* to a man.

CONFUSED? Let's move on to the question of gender, which is a holy mess. It's all very well to be told that — a endings are feminine and the rest masculine, but we all know that in real life it just ain't so.

Or maybe it is, but what's the use, if an egg, *batza*, receives the masculine plural to make it *batzim* rather than *batzo*, whereas a wall, *kir*, which any sane person would pluralize as *kirim*, becomes, *duvka*, *kirot*. Why? *Kacha*.

It's probably also *kacha* that the Hebrew numbers behave just the opposite from what you'd expect. In their case, namely, the -a ending is invariably masculine: three boys are *sheloshah yeladim*. I'm sorry, but that's the way it is. Still, if you do say *shalosh yeladim*, you'll be in excellent company with about half the population of Israel.

Finally, there's this curious habit of omitting all vowels in print, with the result that quite a few people in Israel have two names. Knesset Member Ehud Olmert, for instance, is sometimes called Olmert, and sometimes Ulmert. On this point, dear reader, you have a clear advantage over the native, who doesn't know to this day whether the U.S. president is called Reagan or Reegan; the dictionary Webster or Wobster and the new jet plane Astra, Istra, or even Estera. Reduced to guessing, the Israeli seems on the whole to prefer the "oo" to the "oh" sound, which is why they call you over the "intercom," and risk life and limb tearing about on their "Hoondas."

Ah well. English isn't so easy either, but that's for another time.

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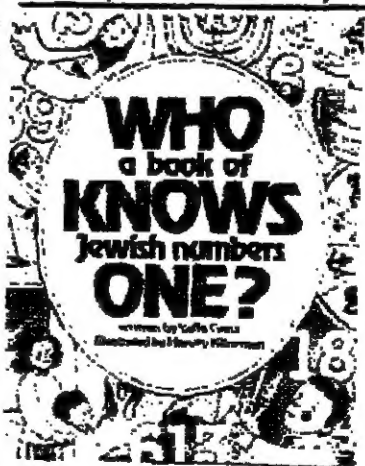
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Whose Country?

The Aliens Bill Reflects A Larger Identity Crisis

By ROBERT REINHOLD

TAKEN in the long historical sweep of things, there is perhaps no more contradictory theme in American life than immigration. Above all, the United States has defined itself as a land of newcomers, a refuge for the down-trodden and persecuted. It has welcomed wave upon wave of bedraggled migrants, if only, sometimes, because their labor was needed. Indeed, in the case of one large immigrant group — African blacks — the trip was nearly always involuntary.

But periodically, the Anglo-Saxon majority has rebelled against these influxes, fearful that the American character, however defined, was being somehow permanently altered or diluted by the strange newcomers.

It is a dialectic that has never been far from the American consciousness. Nearly two centuries before Senator Pat McCarran complained in 1952 that the United States was afflicted with "hard-core indigestible blocs" that could leave the country "overrun, perverted, contaminated, or destroyed," George Washington remarked that, except for "useful mechanics," there was "no need of encouragement" for any more ethnically different immigrants to the unsettled new country.

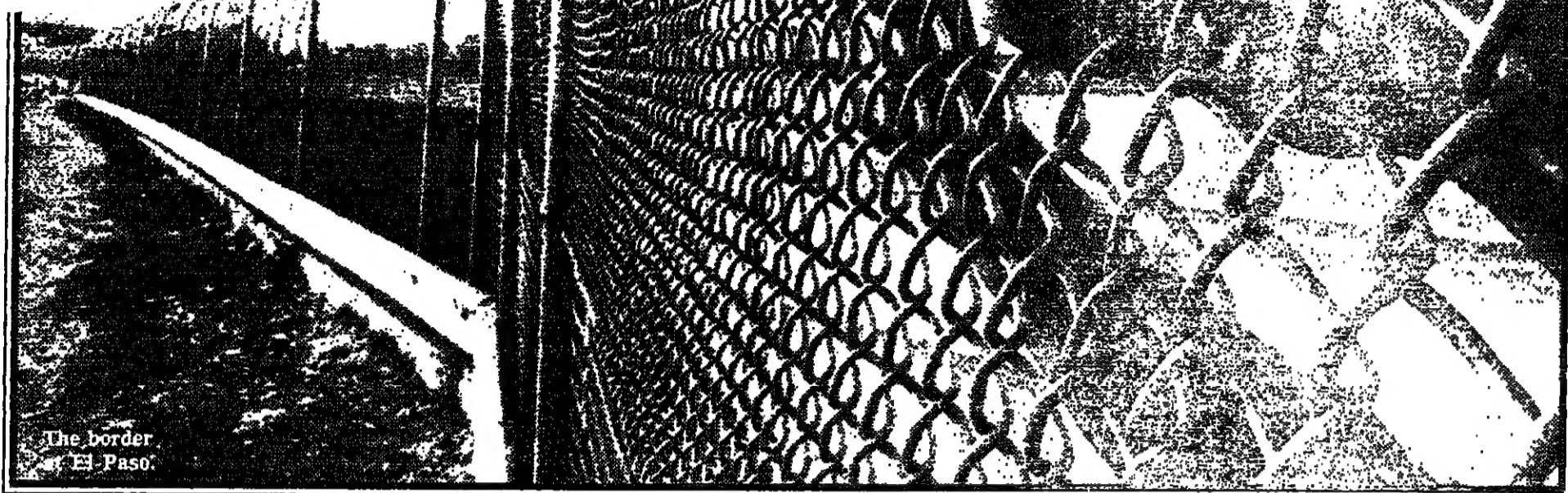
Last week, with the huddled masses grouped not only at the shores and borders but also illegally within American cities, Congress made the latest attempt at putting new controls on immigration.

The rhetoric included none of the racist dogma that governed efforts earlier to shut out Asians and Eastern and Southern Europeans. Nonetheless, there was a strong feeling that the country had lost control of its borders, and, by extension, its very identity.

In what was obviously one of its most painful and reluctant acts in recent years, the House of Representatives narrowly passed — the vote was 216 to 211 — a bill that would curb the influx of illegal aliens by imposing sanctions on employers, but would also grant amnesty to those who entered without authority before 1982.

The Senate previously passed a similar version of the so-called Simpson-Mazzoli bill, and now the two houses must try to reconcile their differences, which may not be easy. In effect, the House version shuts the back door to immigration but leaves open the front door for the close relatives of Americans and for refugees, while the Senate version would place a numerical cap on legal immigration too.

If the bill becomes law, it is sure to have profound effects on many parts of the country. The best estimates — really just educated guesses — put the number of illegal residents at six million. As many as 400,000 of them live in the Houston metropolitan area, 1 million in the rest of Texas, 1.1 million in California, and perhaps 1 million or



The border at El Paso.

Sydney J.P. LaFont

more in the New York metropolitan area.

The largest number are Mexicans, but in New York and other cities they are of every conceivable origin — Philippine, Yugoslav, Salvadoran, Bangladeshi, even British and Japanese. The anguish in Congress reflects the intractability of the issue and all the contradictions it underscores. Yet, in the view of Lawrence H. Fuchs, the Brandeis professor of American Studies who was executive director of the Congressionally created Select Commission on Immigration and Refugee Policy, the bill reaffirms the abolition, in 1965, of the racial and ethnic quotas implemented in an attempt to preserve the predominantly white Anglo-Saxon character.

Signs of Resentment

"This is not the xenophobia of the early 1900's or even the 1930's," he said. "The United States has become a very different country. It not only celebrates ethnic identity, but is not terribly frightened that so many new folks are Asians and Latin Americans. The problem is that so many have come in outside of the law."

Still, there is evidence that xenophobia — or at least a fear of alien influences — is at work. In Dade County, the Miami area of Florida, an ordinance prohibits the county from transacting business in any language but English. A move is afoot to pass a constitutional amendment estab-

lishing English as the official language. And the Simpson-Mazzoli bill would require illegal residents given amnesty to speak some English and learn some American history to qualify for permanent residence. Resentment against bilingual education and signs in Spanish has cropped up in many parts of the country. But more stringent control of immigrants also cuts against another grain of American society — resentment of government intrusion. Speaking for the Population Council in New York, Charles B. Keely contends that the bill says less about immigration than it does about the nation's "rock-bottom ambiguity" toward the kind of government controls that might be needed to achieve true control of the borders.

Since it does not include a system of national identity cards, Mr. Keely said, the Simpson-Mazzoli bill lacks teeth. That is a tough issue for an Administration pledged at once to control the borders and to get government out of people's lives.

Part of the problem is the extraordinarily loose definition of who is an American. The Constitution confers citizenship on anybody born in the United States. Further, existing law allows close relatives of American residents to immigrate.

Few other industrialized countries offer such generous terms. West Germany, for example, determines citi-

zenship by parentage. Children of Turkish "guest workers" born in Germany, though they may be educated in German schools and speak fluent German, are not considered German and can be expelled at any time. Britain, too, has recently tightened its definition of nationality to limit the number of Hong Kong Chinese and other holders of British passports taking up residence in Britain.

Even if all illegal immigration could be cut off, the long-term prospects for controlling the tide are not good, in the view of many experts. This is because the law encourages what might be called "chain migration," whereby immigrants who have established residence, as would many under the amnesty provision, can bring in their relatives.

What has made this influx all the more apparent is that it comes at a time when American fertility is nearly as low as it has ever been, 50 percent below the peak of the baby boom 25 years ago. This means that an increasing proportion of American population growth, particularly in big cities, is coming not from births but from immigration. This is very rapidly changing the character of places like Los Angeles and Miami, and some experts who welcome immigration nonetheless feel that some cap on legal immigration might be needed lest a growing backlash among native-born Americans results in more draconian restrictions.

President's Ease on the Road Contrasts With His Troubles on Capitol Hill

Light Workouts for the Reagan Campaign



President Reagan at opening of the International Games for the Disabled in Uniondale, L.I., last week.

By STEVEN R. WEISMAN

ON the road again and on a roll, President Reagan came out last week in favor of sportsmanship, sobriety and safe streets. With each passing week, his approval ratings seem to continue their climb. Senior advisers acknowledge their failure to rid Mr. Reagan's re-election campaign of overconfidence. On Capitol Hill, however, the President was finding the road somewhat more bumpy. Most of his military spending program for fiscal 1985 was approved by the Senate, but only after Republican allies felt it necessary to challenge him on arms control. To win Democratic support for his proposed budget cuts, Mr. Reagan had to accept a loss of some election-year goodies, such as extending Individual Retirement Account tax breaks to nonworking spouses.

For all the political and legislative combat in Washington, Mr. Reagan was sticking to his generalized themes that appeared tailored to make him sound, to the larger audience beyond the capital, as little as possible like a candidate for re-election. At a conference of sheriffs in Hartford last week, for example, Mr. Reagan denounced "liberals" for blocking his anticrime package.

Had he directly criticized Democrats, his re-election campaign might have had to pay for the trip. On Long Island, Mr. Reagan praised the courage of athletes at the International Games for the Disabled. In New Jersey, he urged teenagers to avoid the temptations of drugs and alcohol. On July 4, Mr. Reagan plans to attend a Middle America bash at the stock car races at Daytona Beach, Fla., and July 28 he will help open the Olympic Games in Los Angeles. But after that he will withdraw for his annual brush-clearing vacation in Santa Barbara, and not until he is renominated in Dallas Aug. 23 does he plan to spend even half his time on the road.

Meanwhile, at Mr. Reagan's campaign headquarters, everything is proceeding according to plan. This weekend marks the culmination of a \$10 million "Reagan Roundup" voter registration drive. In combination with other Republican efforts, the goal is to add four million new voters to the rolls. Edward J. Rollins, manager of the Reagan-Bush campaign, predicted that there would be enough new Reagan voters to offset the Democratic drive that has concentrated especially on blacks.

With the nomination of Walter F. Mondale virtually assured, Reagan strategists are making final plans for the race they had been anticipating all year. Mr. Rollins said that his opinion polls show Mr. Reagan ahead of the former Vice President by 15 percentage points nationwide. More significantly, he said the President is beating Mr. Mondale by 8 or 9 points in the major industrial states, and by 30 points in some Southern states. "We don't anticipate in any way, shape or form that that's going to hold for the fall campaign," Mr. Rollins said. His fear seems to be that the inevitable "Mondale on the Rebound" headlines will create their own momentum.

Republican and Democratic strategists agree, in fact, that the President performs less well when he is on the defensive. This explains why Mr. Reagan is busy now trying to set the agenda and ignore his opposition. It explains also why Reagan and Mondale aides agree that debates could be a pivotal factor in the campaign.

Mr. Mondale has made it clear that he wants several debates with Mr. Reagan. The President's political strategists acknowledge that they prefer no more than two. Such a timetable would give the President time to recover from what his aides assume will be an aggressive performance by Mr. Mondale. "Let's face it, an incumbent President never has anyone speak harshly to him," said a White House adviser. He said that Mr. Mondale's

best hope is to figure out how to punch at the President without committing *lese-majeste* — something on the order of "There you go again, Mr. President...."

Dialogue Under Pressure

According to current thinking around the White House, the November outcome could hinge in part on whether Mr. Reagan can duplicate his success of four years ago with two important blocs of traditionally Democratic voters — Southern white Protestants and Roman Catholic working-class voters in the Northeast and Middle West. Both groups are targets of Mr. Reagan's appeals to the work ethic and religious values.

With the economy robust, perhaps what Reagan aides fear most at the moment is the so-called "war and peace" issue. The President has thus devoted a great deal of time over the last two weeks positioning himself domestically as the champion of dialogue with the Soviet Union. Under pressure from Republican members of

Congress, he significantly relaxed the conditions he would attach to holding a summit meeting with Konstantin U. Chernenko, the Soviet leader. His move prompted a tart response from Mr. Mondale. "I intend to be a President who will lead us toward a safer world from the first day I am in office," he said, "and not from the first day that I start my campaign for re-election."

At times in the last two years, Mr. Reagan has appeared to be negotiating more with Capitol Hill on arms control than with Moscow. Democrats and Republicans demand fresh proofs of Mr. Reagan's commitment each time they vote to approve new funds for the MX missile. A senior Administration official asserted last week that Mr. Reagan's bid to Mr. Chernenko was sincere, but he acknowledged it was a byproduct of strictly domestic political concerns. "What else is new?" he asked. "This Administration is pro-active on domestic issues. We really know how to set the domestic agenda. But we're strictly reactive when it comes to foreign policy."

With the formal beginning of the election campaign only weeks away, it is only a matter of time, his advisers say, before Mr. Reagan shifts his attention from the broad themes of reassurance to the action-reaction hurly-burly that may very well determine the outcome.

— PETER T. KILBORN

Funny Thing Keeps Happening to the Economy

THERE it went again. The gross national product has been growing at a rate of 5.7 percent, the Commerce Department said last week in its "flash" report for April, May and June — not the 3 or 4 percent that the Reagan Administration and most experts had expected.

The department also said the economy grew at a rate of 9.7 percent in the first three months this year, not the 7.2 it first reported, nor the 8.8 percent to which the Administration revised its estimate as late-arriving figures from the nation's stores and factories proved ever more bullish.

Inflation? Government and private economists promised slightly rising prices this year, and so far they're right. The rate of inflation dropped from 4.9 percent in the first quarter to 3.9 in the second, according to one gauge in the flash report, and from 3.9 percent to 2.8 percent in another. For two straight months, April and May, producer prices stood absolutely still, the Labor Department said, and consumer prices increased last month at a rate of only 2.4 percent. "Things are even stronger than those irresponsible supply-siders predicted," said Paul

Craig Roberts of Georgetown University, a supply-sider himself. "It reflects the success of the Reagan tax cuts," the economist said. If Congress and the Federal Reserve would keep clear, more growth and resurgent Government revenues would wipe out Federal budget deficits, he asserted.

Mr. Peters might be hard put to find many colleagues who would agree with the latter assessment, but the fact remains that, overall, no President since Franklin D. Roosevelt has entered a re-election campaign with more felicitous numbers. True, growth in some sectors has slowed. The pace of new housing construction dropped 10.5 percent in May, and the growth of retail sales and industrial production slowed then, too. But the Administration said that was necessary to insure a "sustainable" expansion.

It may continue for the rest of the year, barring a prolonged auto industry strike, a precipitate fall of the dollar, an Argentine default and a run on the banks or a Federal Reserve move to significantly raise interest rates — any of which could shatter the serenity of the economy. However, big trouble may loom

sometime after November. Most economists don't buy Mr. Roberts's theories about growth and deficits, and they see more symbol than substance in the deficit "down payment" proposals now before the Congress. Without a real assault on the deficit, they say, higher interest, higher inflation and the worst recession in a generation could move in to bury the recovery.

— PETER T. KILBORN

Nudging NATO becomes a touchy issue

3

The Nation

Cuomo Will Set the Tone For Democrats

In recent years, keynote speakers at Democratic national conventions have generally failed to parlay that exposure into bigger things. Governor Cuomo of New York, widely regarded as a man with ambitions that reach beyond the state line, may think he'll be the exception.

Last week, Charles T. Manatt, chairman of the Democratic National Committee, announced that on July 16 the Governor — who had said, sort of, that he didn't want to make the opening-night address — would in fact be the keynoter in San Francisco. Party officials said the choice of Mr. Cuomo reflected recognition of his skills as a speaker, his position as a leading Italian-American and New York's standing as the state with the second-largest number of electoral votes. Mr. Cuomo, the first New Yorker selected as keynoter since 1916, noted: "I doubt if I were the Governor of the Virgin Islands this would happen."

Aides said that Walter F. Mondale first popped the question in a phone conversation on June 12. Mr. Cuomo,



The New York Times, Paul Roseboro
Governor Cuomo, right, with Charles T. Manatt last week.

who earlier in the year wrote Mr. Manatt that he didn't want to be the keynoter, accepted last week. What Mr. Cuomo might have said somewhat more unequivocally no to was an offer to join Mr. Mondale's stable of prospective running mates.

Tom Bradley, who in 1973 became the first black mayor of Los Angeles and last week the first of the prospective No. 2's to come calling, spent three and a half hours at Mr. Mondale's home in North Oaks, Minn. Mr. Bradley and Mr. Mondale denied charges raised by the Rev. Jesse Jackson and some Republicans that the former Vice President was staging a kind of minorities parade to generate publicity.

Texas Senator Lloyd Bentsen and San Francisco Mayor Dianne Feinstein were visiting North Oaks yesterday. Mondale aides said the names of other contenders would be announced soon.

Senate Finishes Defense Budget

After two weeks in the trenches, the Senate last week finished work on the Administration's 1985 military shopping list.

The Senate's bottom line — \$299 billion — wasn't far from the House's figure, but there were differences aplenty in the fine print. Consequently, meetings of a committee that would try to resolve differences between the Senate's authorization bill and the House's \$282 billion version were expected to be marked by considerable oratorical shot and shell.

The MX strategic nuclear missile seemed certain to be a tough one. By a one-vote margin — provided by Vice President Bush — the Senate approved spending \$2.62 billion on 21 missiles, 19 fewer than the Administration asked for in its \$313 billion overall defense request. The House approved 15 missiles and said release of the funds could be triggered only by a joint resolution of Congress that would come next April.

The Senate approved deployment of sea-based nuclear-tipped cruise missiles; the House voted to delay deployment until late next year and further required that, among other things, the White House would have to report that the Soviet Union had sent comparable weapons to sea.

Otherwise on the Hill last week: The Senate agreed to avoid debating whether companies that file for bankruptcy should be allowed to dissolve union contracts, and went on to approve broad changes in the bankruptcy laws. Conferees quickly

settled in to attempt to make the Senate bill mesh with House legislation enacted in March.

Congress has been attempting to reorganize the system since 1982, when the Supreme Court ruled that bankruptcy courts had to be given greater independence or else be closed down. The debate was further complicated in February, when the Court ruled that a company filing for bankruptcy could abandon labor contracts. President Reagan last week signed an emergency extension allowing the Federal bankruptcy system to operate until this Wednesday.

The House Committee on Standards of Official Conduct recommended a reprimand for Representative George Hansen for failing to reveal details of his personal financial affairs. Mr. Hansen, who was convicted in April on four felony charges connected to his financial records, denied any wrongdoing.

Jobs Program Is Bugged Down

With Congress poised for a dash for the exits, 100,000 low-income youths were facing the possibility of a continued unwanted holiday. A Federally underwritten summer employment program might not have jobs for them unless the House and Senate clear a up a legislative deadlock before the start of the July 4th recess late this week.

At issue is a \$1.1 billion supplemental appropriations bill that includes \$21 million in emergency aid for Nicaraguan rebels — the sticking point — and funds for an array of domestic programs. In addition to \$100 million that would be added to an existing jobs-for-youths program, the bill would provide assistance for pregnant women and nursing mothers and pay for child-nutrition programs and food shipments to drought-stricken African countries.

Early in the week, Senate majority leader Howard H. Baker Jr., not especially eager to give the Democrats opportunities to pound his party with the "fairness" issue, proposed separating money for the Nicaraguan operation from the bill, which the Senate is due to take up tomorrow. But President Reagan let it be known that he didn't care for that approach. "We want the entire legislation," an Administration spokesman said at midweek. "We want the package as it stands."

House Speaker Thomas P. O'Neill Jr. charged that Mr. Reagan had offered up a "new proof of his unfairness." He continued: "There are 44 percent of the youth of America, particularly minorities, who are not employed and it could be more costly for us not to have them employed." Late in the week, there were reports that the White House might after all drop its insistence on immediate action on aid for Nicaraguan rebels.

Bids Are in For Conrail

Despite warnings that Conrail could be derailed by a national recession, 14 potential buyers have filed bids for the line formed in 1976 from the financial wreckage of the Penn Central and five other railroads.

Conrail, short for the Consolidated Rail Corporation, is largely owned by the Government and hauls freight along 14,200 miles of track, most of it in the Northeast. Transportation Department officials said the bidders meeting last week's deadline included such companies as Citicorp and a few individual investors, among them Kenneth Perryman, a Los Angeles investor, and Arthur E. Imperatore, a New Jersey trucker. Three other railroads — the Norfolk Southern Corporation, Guilford Transportation Industries and the CSX Corporation — also bid. So did the Railway Labor Executives Association, representing Conrail's union workers. Most offers involved combinations of cash and Conrail's unused investment tax credits.

The winning bidder won't be announced until after an extensive study by the department and then Congress has to be consulted on the sale. "We have a lot of questions about some of the offers," James H. Burney, Deputy Secretary of Transportation, told a Senate subcommittee last week. Capitol Hill is certain to have still more questions; some Congressmen have criticized the Administration's decision to sell Conrail, which had come highballing back to the point of earning more than \$313 million last year. Altogether, the Government has spent \$3.2 billion on locomotives, freight cars and roadbed improvements.

Michael Wright,
Katherine Roberts
and Caroline Rand Herron

A Correction

An article in *The Week in Review* on June 10 incorrectly described the position that Charley Hoyt, a member of the Minneapolis City Council, has taken on the equal rights amendment. She supports the amendment.

Platform Is Very Much Mondale's, Give or Take a Few Planks



Representative Geraldine A. Ferraro, Democratic Platform Committee chairman, and Mayor Richard Arrington of Birmingham, Drafting Committee chairman.

Visions of the Future Yield To Politics of the Moment

By WARREN WEAVER Jr.

WASHINGTON — Every four years for a few weeks, the leaders of both political parties claim for their respective platforms a significance and vitality that is very difficult to detect, even in trace quantities, during the other 47 months of the quadrennium. While the platform is being written and fiercely debated in committee and on the convention floor, it seems briefly to overshadow the candidates and the prize. Then it promptly fades from political consideration.

This sudden surge of issue popularity is partly a question of timing; there is an election-year gap between the end of the Presidential primaries and the first convention, and the politi-

cians and reporters have to have something to analyze during late June and early July. There is also a common guilt feeling among both groups about ignoring the issues in campaigns in favor of personalities and polls; treating the platform seriously makes them feel better about this, at least temporarily.

Last week, the Democrats were knee-deep in platform drafts, first in a theoretically compact and efficient subcommittee of 15 and then in a demonstrably unwieldy full committee of 184. By the end of the weekend, they hoped to agree on a platform to submit to the July convention.

Is this platform, painstakingly stitched together from old and new party dreams, going to say much about the exhausting primary competition of 1984, the winner and those who fell by the

wayside and the ideas they carried as they ran? Not likely. Instead, the drafting process indicated, it will reflect the immediate political realities as seen by Walter F. Mondale, whose delegates firmly control the entire platform process.

Are the "new ideas" of Senator Gary Hart going to work their way into the platform? On the basis of last week's meetings, a great deal of Hart language will be incorporated in the platform, but very little, if any, of it will involve notions with which Mr. Mondale is not fundamentally in agreement.

But the Rev. Jesse Jackson is not likely to fare as well, because his views are a good deal farther away from Mr. Mondale's. Mr. Jackson himself became so restive last week that he paid a call on his two lonely drafting committee members, spurring them to press his proposals. But there were no Mondale or Hart votes for these planks, and the Jackson strength alone is too small to force them onto the convention floor.

Midway in the platform writing, the Hart people professed to be very pleased with their success. Their spokesman, Representative Timothy E. Wirth of Colorado, said they "got along quite famously" with the Mondale majority.

The Hart forces lost a few planks in the early maneuvering — a pet project of the Senator's for retraining unemployed workers and a prohibition on the use of land forces in the Persian Gulf — but his lieutenants did not seem disposed to carry the disputes to the convention floor. Mr. Jackson, on the other hand, appears disposed to bring the issue of run-off primaries, which he regards as discriminatory, to the floor, but he may lack the necessary votes to get it there under the convention rules.

An Expanding Draft

Brevity became a victim of accommodation, as is usually true in platform drafting. "When in doubt, include" is the governing rule for candidates, like Mr. Mondale, who control a convention and are anxious to preserve unity. The original committee draft, estimated between 20,000 and 25,000 words when the week began, had swelled by perhaps another 10,000 words of Hart and, to a lesser extent, Jackson prose.

Although still in amendment stage, the basic platform contained just what is expected in a Democratic platform these days: detailed attacks on President Reagan and his policies, promises to slow increases in defense spending but not actually cut back, enthusiastic support for a bilateral nuclear freeze, continued support for legalized abortion without ever mentioning the word, harsh warnings of Soviet unreliability coupled with calls for renewed arms control, considerable caution in recommending high Federal spending.

All this took shape under the watchful eye of Representative Geraldine A. Ferraro of Queens, chairman of the overall committee. The fact that she is a potential Vice Presidential candidate was not lost on anyone. Early in the proceedings she confessed "Superwoman I'm not," but ran the talky platform show with a firm hand.

The Republicans, meanwhile, do not feel compelled to appear so small. Democratic about their platform, which will not go to the convention floor until late August. Instead of the traditional hearings around the country, they are simply holding closed-door drafting sessions, frankly conceding that all the input they need is the record of the Reagan Administration and the views of its leader. This process has produced a few audible grumbles but seems unlikely to ruffle the smooth surface of the Dallas convention.

Trip to Cuba Underlines Candidates' Differences

Jackson Trying Friendlier Persuasion

By GERALD M. BOYD

WASHINGTON — The Rev. Jesse Jackson last week called a halt of sorts to his running dispute with Democratic officials over party rules. Then, having made a gesture toward peace with his rivals for the Democratic Presidential nomination, he took off on a "fact-finding mission" to investigate an "escalation of war activities" in Central America.

Adopting a conciliatory tone, Mr. Jackson said he would abide by the will of the nominating convention on whether he should be awarded delegates in closer proportion to the 21 percent of the vote he received in the primaries and caucuses (he is expected to wind up with 7 to 9 percent).

He also said he would back the convention's nominee whether it be Walter F. Mondale or Senator Gary Hart. Addressing a convention of the National Baptist Congress in Gary, Ind., he called his rivals "decent men" with "humane instincts."

But even as he prepared for his flight by chartered jet to Panama City yesterday, Mr. Jackson was clearly not leaving the campaign trail. Stopping in El Paso, Tex., to address a convention of the League of United Latin American Citizens — he was the only candidate to accept an invitation to do so — he made yet another bid to add more Hispanic voters to his "rainbow coalition."

The president of the organization, Mario Obledo, who joined Mr. Jackson on his Central American tour, introduced the candidate as a "freedom fighter for all Americans." Mr. Obledo's immediate predecessor, Tony Bonilla, called on the organization's 100,000 members to "support the man who has stood with us — Jesse Jackson."

That brought rousing cheers in El Paso, but was not likely to carry much weight at the Democratic convention in San Francisco, even though Mr. Obledo said his group would pressure Mexican-American delegates to withhold their votes from Mr. Mondale on the first ballot and cast them instead for Mr. Jackson.

Meanwhile, a House Democratic Caucus com-

mittee appointed to study Mr. Jackson's complaints about the fairness of party rules agreed that some changes might be in order, but not this year. Mr. Jackson took the news calmly, praising the efforts of the committee and its chairman, Representative Morris K. Udall of Arizona, as "earnest."

If he lost a battle in a Washington committee room, Mr. Jackson clearly was hoping to win something in Central America. The agenda for his five-day tour included an address on Cuban television and meetings with Fidel Castro and President José Napoleón Durazo of El Salvador. He was also expected to meet with Sandinista officials in Nicaragua and with representatives of the Contadora group — Colombia, Mexico, Panama, and Venezuela — in Panama City.

'Hypocrisy' Theme

Mr. Jackson said the trip would underscore what he said was a major difference between his politics and those of Mr. Mondale and Senator Hart — that he was willing to meet and negotiate in settings that might not be politically popular. As an example, he mentioned Syria, which he visited in December to secure the release of Lieut. Robert Goodman, a Navy aviator who was shot down over Lebanon.

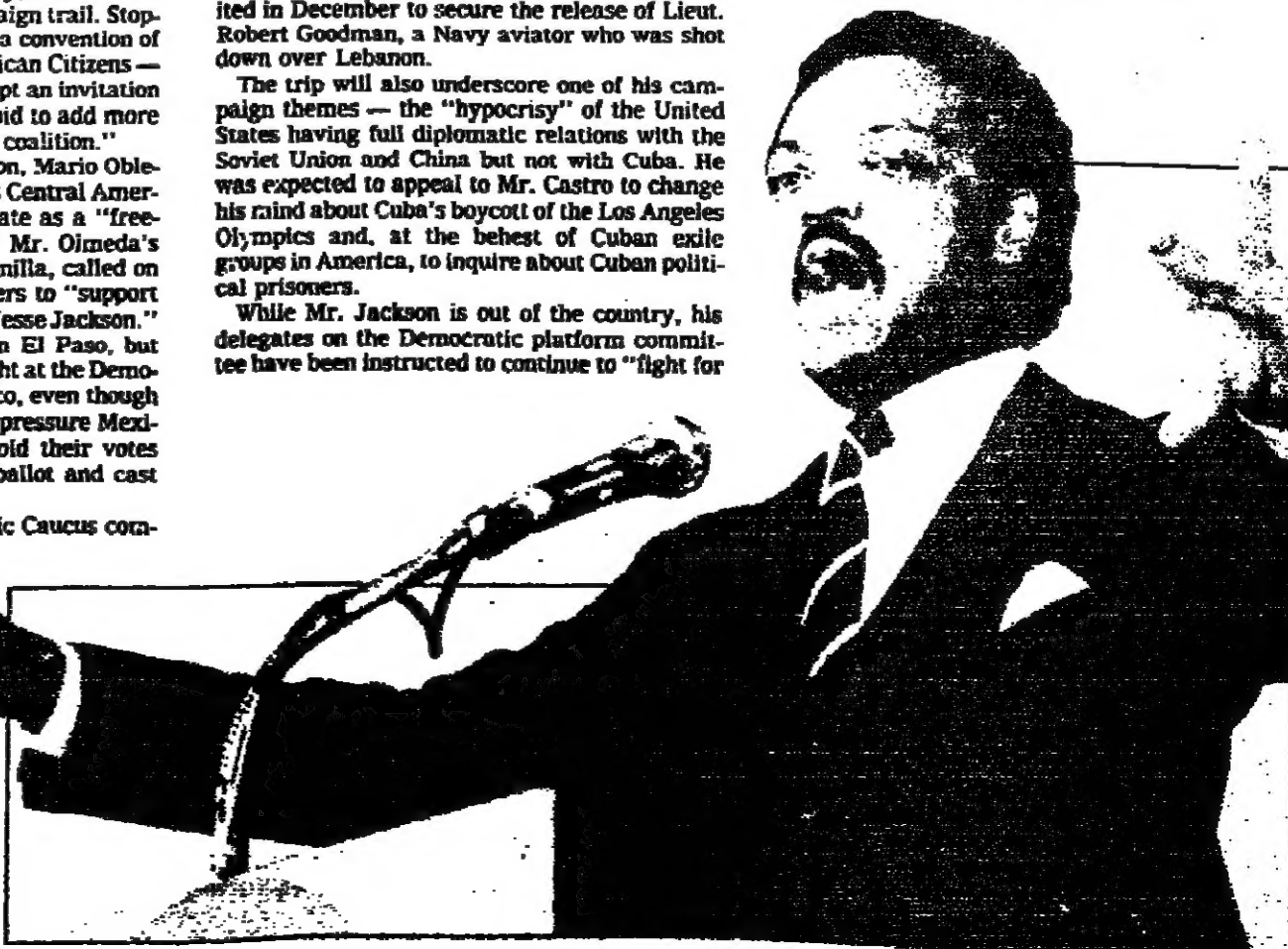
The trip will also underscore one of his campaign themes — the "hypocrisy" of the United States having full diplomatic relations with the Soviet Union and China but not with Cuba. He was expected to appeal to Mr. Castro to change his mind about Cuba's boycott of the Los Angeles Olympics and, at the behest of Cuban exile groups in America, to inquire about Cuban political prisoners.

While Mr. Jackson is out of the country, his delegates on the Democratic platform committee have been instructed to continue to "fight for

the principles the campaign has stood for," said Ron Walters, a Jackson aide. Mr. Jackson, who attacked Mr. Mondale as recently as Tuesday in a Philadelphia meeting, said his conciliatory attitude did not mean he was getting "amnesia over the questions of fairness and justice."

For now, however, he intends to press Mr. Mondale, whose supporters dominate the platform committee, for concessions on planks dealing with issues including jobs and foreign policy. But, in a move that doubtless brought some relief in the Mondale camp, he acknowledged that he expected "to lose some battles in San Francisco." Until his peacemaking gestures, party leaders had been worried that he might disrupt the convention or be less than enthusiastic in his support for the nominee.

Mr. Jackson's aides say that on the heels of his unexpectedly strong showing in the primaries, Mr. Mondale will have to make concessions. Mayor Richard Hatcher of Gary, Mr. Jackson's national campaign manager, reiterated Mr. Jackson's oft-spoken admonishment that party unity still depended on party justice.



The Rev. Jesse Jackson addressing the closing session of the U.S. Conference of Mayors in Philadelphia last week.

The World

A Plot to Kill U.S. Envoy in El Salvador

Few people realized until last week the extent of rightist resentment over the defeat of Roberto d'Aubuisson by José Napoleón Duarte, the Christian Democratic moderate, in El Salvador's presidential election. But now an Administration official in Washington and two sources in El Salvador have said that American intelligence uncovered a plot last month by Mr. d'Aubuisson's political associates against the life of United States Ambassador Thomas R. Pickering shortly after Mr. Duarte's victory. Mr. d'Aubuisson's personal role was unclear.

The sources said the d'Aubuisson group was enraged by revelations that the C.I.A. had helped the Christian Democrats. A demand by Senator Jesse Helms, the conservative Republican from North Carolina, for Mr. Pickering's recall reportedly fueled the anger in Mr. d'Aubuisson's party, the National Republican Alliance. Mr. Helms, a supporter of Mr. d'Aubuisson, called the plot story "an absolute falsehood," although he was reported to have apologized to President Reagan for problems he might have caused by his public complaints about the Ambassador. Washington was said to have dispatched a veteran trouble shooter, Gen. Vernon Walters, a former deputy director of the C.I.A., to warn Mr. d'Aubuisson of "serious consequences" if the plot went through. For unclear reasons, the State Department offered Mr. d'Aubuisson a visa to the United States and he was said to have used it.

Since his election, Mr. Duarte has been moving cautiously to remove some of the right wing's teeth and create a proper atmosphere for the dialogue he has promised with the leftist rebels. One measure has been to shake up the country's most feared force, the Treasury Police. Last week, Col. Rinaldo Golcher, its new head, confirmed the worst suspicions of human rights advocates: The 2,000-man force, in particular its intelligence unit known as S-2, had indeed been committing political murders and other abuses. S-2, which the colonel described as "a camp within a camp," has been abolished to meet Mr. Duarte's promise to end the right-wing death squads.

Critics of El Salvador's human rights record were also somewhat mollified by the 30-year prison sentences meted out last week to five former members of the Salvadoran National Guard for the murder of four American churchwomen in 1980. The question of who ordered the murders remained, however, as did another unresolved case. The American Embassy in San Salvador said that it would now push for prosecution of those responsible for the killing in 1981 of two American advisers on land reform.

Battle Over Role

In Washington, the effort to limit the American role in Central America continued. The Senate gave a boost to the Administration last week by rejecting a House-backed move to curtail military involvement. By 63 to 31, the Republican-controlled Senate defeated a proposal by Senator Edward M. Kennedy of Massachusetts to require prior Congressional approval for the use of American personnel in combat in or over Nicaragua and El Salvador. Although the Administration has denied any intention to send troops into combat, it does not wish to have its hands tied.

Portuguese Hero Held by Police

Maj. Otelio Saraiva de Carvalho was one of the leaders of the Portuguese Revolution of April 25, 1974. A year later he was a general in charge of internal security and a member of a leftist triumvirate that ruled briefly. Last week, as a lieutenant colonel, he was in Caixas prison outside Lisbon, one of 42 people arrested on suspicion of belonging to an urban guerrilla group.

The outspoken and flamboyant officer, who has long been involved in far-left politics and twice ran unsuccessfully for President, was caught in a series of police raids against a shadowy group known as the Popular Forces of the 23rd of April, which has claimed responsibility for bombings, bank robberies and killings since 1980. Weapons, explosives and money were found in what was described as the biggest police operation since the revolution.

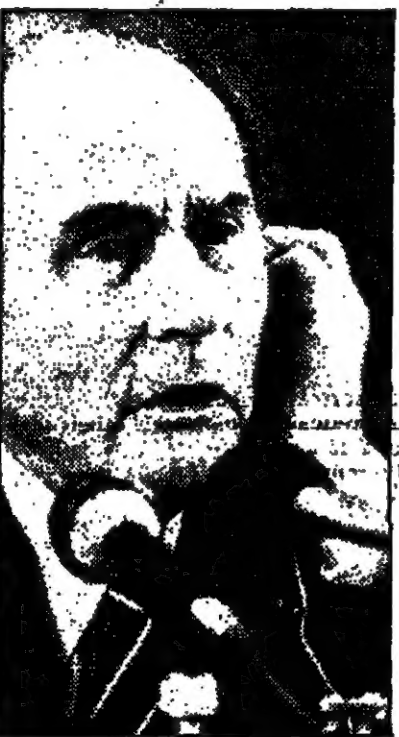
The Socialist-led Government of Prime Minister Mario Soares has also been showing concern for its security by sponsoring two bills to organize an intelligence-gathering service and give the police greater powers to combat subversion. Both bills have aroused opposition, from some Socialists among others, because they raised memories of the hated secret police, known as PIDE,

which filled Caixas prison with opponents of the Salazar-Caetano dictatorship.

Path to Summit Seems Blocked

The White House last week was still talking hopefully of a meeting with Konstantin U. Chernenko, the Soviet leader, and President Reagan said he didn't think the latest Soviet "nyet" was final. But Leonid M. Zamyatin, the Kremlin spokesman who excited Washington 10 days ago by raising the possibility of a meeting, tacked the other way last week. The United States, Mr. Zamyatin said, had not changed its positions in a way that would mean "the question of the meeting is being raised by it seriously." Mr. Reagan, again mentioning "the tragedy of the K.A.L. flight 007 and the plight of Andrei Sakharov," blamed the Russians for being difficult.

The Sakharov case also came up in Moscow. French President François Mitterrand reminded Mr. Chernenko of worldwide interest in the fate of Mr. Sakharov, the Nobel Peace Prize winner, who went on a hunger strike last month to protest the authorities' treatment of his ailing wife. At an official banquet with the Soviet leaders, Mr. Mitterrand also criticized Soviet involvement in Afghanistan and Cambodia and objected to limiting liberty "as hap-



President François Mitterrand in Moscow last week.

pened in 1981," a reference to martial law in Poland.

Mr. Mitterrand's talks with Mr. Chernenko and Foreign Minister Andrei A. Gromyko were described as "frank and businesslike," the diplomatic phrase for going nowhere. Mr. Chernenko was frank, too. "Those who are trying to give us advice in respect to human rights," he said, "can only cause an ironic smile here."

European Voters In a Sour Mood

Most parties in power did poorly last week in elections for the 10 Common Market countries' European Parliament. But voter turnout was relatively low and the losses seemed psychological in the main. The Parliament, in Strasbourg, France, is a talking shop with few powers.

Except in Greece, where Prime Minister Andreas Papandreu's Socialists held their ground, the incumbents, notably in West Germany, Italy and France, suffered. In France, the center-right opposition got 42.9 percent, far ahead of Prime Minister François Mitterrand's Socialists, with 20.8 percent. The Communists dropped to 11.3 percent, their worst showing in a national election in 50 years, while the extreme right-wing National Front Party came in a strong fourth.

In West Germany, the Free Democrats won no seats, further diminishing their chances of remaining in Chancellor Helmut Kohl's coalition. The Greens, the ecology and anti-nuclear party, got 8.2 percent, a new high for them. In Italy, the Communists, buoyed by sympathy votes after the death of their leader, Enrico Berlinguer, received 33.3 percent, slightly ahead of the Christian Democrats for the first time.

Most analysts thought the patterns would be different when voters were charged with selecting members of bodies that really govern.

There was clearly disenchantment with the Common Market, which has bogged down in arguments over budgets and farm prices. That, said Gaston Thorn, the President of the Common Market's executive commission, was "very bad for democracy, very bad for the Parliament, very bad for us."

MIL FROEDENHEIM and Henry Glazer

Senate Move to Cut U.S. Forces in Europe Was Beaten Last Week



Army troops marching in Wiesbaden, West Germany, for NATO maneuvers. Woodfin Camp/Latif Shogofers

Nudging NATO Is a Touchy Issue

By HEDRICK SMITH

WASHINGTON — For President Reagan, just back from celebrating allied solidarity at the 40th anniversary of the Normandy invasion, it was embarrassing last week to have to beat back a move in the Senate that would have reduced American troops in Europe unless the West Europeans did more in their own defense. The measure's sponsors wanted to strengthen NATO, but the White House feared it would open dangerous new fissures with Europe.

Despite relentless Soviet pressure, West Germany, Britain, and Italy — with moral backing from France — have deployed new American nuclear missiles to offset Soviet SS-20's. But there is growing frustration in Congress and concern among strategists that the Europeans have not done enough to build up nonnuclear defenses.

Former Defense Secretary Robert S. McNamara says this must be done so the West can promise "no first use" of nuclear weapons in Europe. James R. Schlesinger, also a former Defense Secretary, contends that because of the loss of American strategic superiority and the dominance of Soviet nuclear missiles in Europe, NATO must improve its regular armies to deter a Russian attack. Gen. Bernard W. Rogers, the American commander in Europe, agrees that "NATO's deterrence is jeopardized by our current heavy reliance on the early use of nuclear weapons to stop a nonnuclear attack."

In the Senate, Sam Nunn, a Georgia Democrat widely respected for his knowledge of military issues and a strong defender of NATO, proposed limiting American troops to the current 326,414 and pulling out 30,000 men a year starting in 1987 unless the Europeans spend more on defense. NATO agreed in 1978 to increase military spending by 3 percent a year above inflation. Washington has met the goal every year, Mr. Nunn said, but the Europeans, taken as a group, have not. Last year, the Pentagon reports, United States

military spending rose 7.6 percent, Canada's 5 percent, Britain's 3 percent, but West Germany's only 1.9 percent, Italy's 1.1 percent, France's 0.9 percent, Greece's 1.3, Turkey's 1.9, and Norway's 2.8 percent. Denmark's spending decreased 0.2 percent and Belgium's 3 percent.

American preparations for extended combat are far out of phase with those of the Europeans, Senator Nunn argued. American ammunition stocks are sufficient for 30 to 40 days, he said, compared to European ammunition for "less than two weeks." Although 1,500 American tactical aircraft could fly to Europe in wartime, the Europeans have fuel and maintenance facilities for only 300. "If we do not have allies that are going to do their part, there is no need for the American taxpayer to continue to spend billions of dollars," Senator Nunn said, on troops, ammunition, transport planes and other new equipment. "This is not a petition for divorce," he added. "This is a petition for the alliance to carry out its vows."

Hard Lobbying

President Reagan lobbied hard against the Nunn proposal, personally pressing Ted Stevens of Alaska, the Senate Republican whip, to reverse his own two-year campaign to cut American forces in Europe. Secretary of State George P. Shultz lectured Senate Republicans on the dangers of helping Moscow drive a wedge between the United States and its allies. The West German and British Defense Ministers and Joseph M.A.H. Luns, the NATO Secretary General, telephoned to persuade wavering senators.

The Europeans argued that since 1970, as a group, they have increased military spending by 44 percent, as against 27 percent for Washington. Moreover, they said, their weaker economies — weakened by high American interest rates — had tied their hands. In the downturn, State Department officials said, Europeans did well to add anything to military spending while cutting domestic social programs. Last week's European

Parliamentary elections, although without direct effect, made clear the weakness of several governments. And European unease about President Reagan's anti-Soviet statements dampens the mood for a military buildup.

'Zap! Take That!'

Few senators took issue with Mr. Nunn's criticisms of the Europeans but many questioned his timing and method. Senator William S. Cohen, a moderate Maine Republican, agreed with "the essence" of the Nunn position but not "the action." John G. Tower of Texas, the conservative Republican chairman of the Armed Services Committee, called the proposal "a kick in the teeth" for British Prime Minister Margaret Thatcher and West German Chancellor Helmut Kohl, who had brooked domestic opposition to deploy American missiles. He translated the Nunn message as: "Zap! Take that! Get off your duff and do what you are supposed to do! That is the way we treat them. What kind of signal does that send? What is it going to do to the efforts of the Soviet Union to drive a wedge between the United States and our European allies?"

The debate carried echoes of the resistance conservative Republicans put up to former President Truman's decision to send five American divisions to Europe more than three decades ago, and of the struggles in the 1970's over efforts by former Senator Mike Mansfield, a Montana Democrat, to reduce American involvement in Europe. This time, conservative Republicans formed the core of the 55-to-41 majority against the Nunn proposal. Then the Senate passed a milder Cohen proposal instructing the Administration to press the Europeans to do more but dropping the threat of troop withdrawal. A top State Department official voiced relief that "the growing parochialism" had been staved off. But Senator Nunn warned that unless the Europeans got the message, the issue would be back next year with more support for an even tougher American stand.

Toppling Statues of Franco Is Not the Gonzalez Style

A Modern Spain by Evolution

By JOHN DARTON

MADRID — Prime Minister Felipe González was asked some weeks ago on a late night radio show what he thought of Francisco Franco. He replied that he did not agree with some of his friends who wanted to tear down statues of the late Spanish dictator. After all, he said, "Franco is a part of Spanish history," for better or for worse, and should be respected as such.

The answer caught some of Mr. González's supporters on the left of the Socialist Party off guard. It was typical of his brand of pragmatism and moderation, which seeks to bury the divisive legacy of civil war and dictatorship so as to get on with the business of modernizing Spain. But it struck some as going too far. "If we can't even condemn Franco, what kind of Socialists are we?" complained in private a party official who had spent time in Franco's prisons.

A striking aspect of Spain's transition from dictatorship to democracy has been its evolutionary pace. The old institutions — the civil service, the judiciary, the armed forces — remained in place. New institutions — a free press, parliament, trade unions — have been grafted on to them. Democracy has been achieved in small steps, by improvisation and consensus.

As a practical matter, this has meant that for a time the old order would exert a hidden influence. Many Spaniards sum up this sense of influence, of shadowy forces of reaction whose loyalty to the democratic Constitution is suspect, in the expression "poderes fácticos" — the real powers. They are usually categorized into three groups — the church, the army and the financiers. The reason the transition has been so



Spaniards paying homage to late Gen. Francisco Franco in Madrid in November.

smooth for the most part, but also the reason there is doubt that it has been totally achieved, is that to some degree these powers remain.

"The political transition came to an end with the Socialists' victory in October 1982," said Angel Vidas, a well-known political theorist. "For the first time in our political history the true antagonists to those in power came to power. Now we are in the period of structural change, the attempt to change the institutions, which is a more prolonged struggle."

Francoism is almost dead as an ideology. But it lives on in the institutional lethargy in the civil service, a sense of autonomy in the conservative military establishment, and an old-boy network of entrepreneurs accustomed to taking shortcuts in financial dealings. There is also a nostalgic longing among some Spaniards for a strong hand to deal with mounting economic problems, rising crime, looser morality, and demands for greater

self-rule by Basques and other groups.

The Socialists have been cautiously making inroads against the attitudinal remnants of one-man rule. The civil service is being reformed despite resistance, including strikes. Rules requiring a full work day and ending dual employment are being applied and a new law is revising standards on everything from salary to retirement. It will affect one in every 10 Spaniards.

The military officer corps is being slowly transformed from what many see as a backward-looking, coup-mongering collection of over-aged generals and admirals to a modern command structure. The army is being reduced, promotions are based on merit as well as seniority, and deployment of key units is being revised so that troops can be used to head off external aggression, not internal subversion.

Socialists Are Divided

The moneyed class is losing some of its illicit privileges. For the first time, employers are being prosecuted for withholding payments from employees' social welfare programs and bank directors for irregularities in the use of bank funds. A campaign is under way against tax evaders, who are often rich, (wage earners have their taxes withheld automatically). The Ministry of Finance estimates that 3.5 million people do not pay proper taxes. As for the Roman Catholic Church, a weakening of its once formidable power can be seen in Government moves to liberalize the right to abortion and to cut subsidies to church-run schools.

How to deal with the anachronisms of Francoism has split the Socialists. There are those like Mr. González who want to work for change by emphasizing continuity instead of a sharp break with the past. Those on the left wing of the party believe that the time has come for a more direct attack on the old order. They are unhappy with the Government's ambiguous stand on withdrawal from NATO, and its policies of austerity and industrial restructuring, which is leading to layoffs, especially in steel and shipbuilding.

"The working class is losing its gains, the unions are weakening and the bosses are winning," Pablo Castellano, a left-wing Socialist deputy, complained. "There's a general sense of frustration on the left. We feel that these boys have come into government but not into power. The transition has occurred in such a way that much of the Franco system still remains."

Jailing of Candidate Muddies Prospects for First Elections Since 1971

Is There a Safe Way Out For the Uruguayan Military?

By EDWARD SCHUMACHER

MONTEVIDEO, Uruguay — Although he was sitting in a Uruguayan military jail this weekend, Wilson Ferreira Aldunate, a leading presidential candidate, appeared to be just where he wanted to be — riding a surge of popularity. But aggressive maneuvering by him and other civilian presidential aspirants, and by the country's military rulers, may upset prospects for Uruguay's first presidential election since 1971.

The military, which seized power 11 years ago, has tired of taking the blame for economic disasters it has been unable to bring under control. Most of the generals have been looking for a safe way to unload their responsibilities without being placed on trial for human rights violations, as happened to former junta members in neighboring Argentina after that country returned to democracy last year.

Mr. Ferreira Aldunate, the centrist National Party's candidate, crossed the River Plate on a ferry from Buenos Aires eight days ago, returning from 11 years in exile. Several hundred supporters accompanied him and more than 50,000 of Uruguay's 2.9 million people turned out to greet him. He was arrested and jailed as he had expected to be and as the Government of Gen. Gregorio Alvarez had vowed. In military court last week, Mr. Ferreira Aldunate was held without bail on charges of aiding former Tupamaro guerrillas and of inviting foreign intervention by criticizing the military regime. If found guilty, he could be sentenced to up to 30 years in prison. His son, Juan Raúl, who is 31 years old, was arraigned on lesser charges of insulting the military. Both men denied the accusations.

Many opposition leaders fear that in the confrontation over Mr. Ferreira Aldunate, the elections expected in November will be put off. They say most of the generals — if not General Alvarez — are eager for a return to democracy and recently shifted from demanding constitutional changes as a precondition to stepping down, to merely requesting face-saving assurances. For example, the military agreed that civilian authorities would take jurisdiction over the generals but asked that the new Government refrain from initiating prosecutions for human rights abuses, leaving the decision to the courts. All major parties agreed to this. The military also opposes a blanket amnesty for the 700 political prisoners; the opposition is divided over how far an amnesty should go.

The National Party dominated Mr. Ferreira Aldunate for President in December. Last week, it voted to break off transition talks with the Government until he and his son are released. Leaders of the other big centrist party, the Colorados, and of a rising, although banned, leftist coalition known as the Broad Front, said they felt compelled to support the National Party. Privately, however, the party leaders complained about what they called Mr. Ferreira Aldunate's quest for political martyrdom. "His return was a theatrical farce that may be a national tragedy," a key leader said.

Mr. Ferreira Aldunate, 65 years old, is the only leader of the two main opposition parties still banned from politics. His statements have become increasingly populist, calling for an enlarged state role in industry. Before the 1973 takeover, he was a conservative rancher, senator and Agriculture Minister. The generals objected less to his politics than to his blistering ridicule of them from abroad. Before his return, many National Party leaders also seemed ready to sacrifice him.

His ambitious vice presidential running mate, Julio Pereira, carefully avoids committing himself to standing by Mr. Ferreira Aldunate if he should be released from jail but still banned from politics by November. "It is up to the party to decide," he says.

Mr. Ferreira Aldunate is likely to be freed, many opposition leaders believe, although General Alvarez commented last week that he was "not prepared to grant a pardon to any common criminal." But in view of the party leader's enhanced popularity since being detained, the political ban may become a stumbling block. The military

has shown no willingness for compromise on the issue. As the military sees things, their honor is at stake, which strengthens the ambitions of President Alvarez. Heeding growing public protests, many of the junta's 26 generals and admirals have talked of removing him as President because of his efforts to postpone the elections, senior officials say. But now the military is loath to be seen as giving in to Mr. Ferreira Aldunate.

Mr. Ferreira Aldunate's supporters argue that an Uruguayan election without him would be like holding American Presidential elections without the Democratic nominee. However, Uruguay's two other most powerful politicians note that they had sacrificed their own presidential ambitions. Jorge Batlle Ibanez of the Colorados stepped aside while he was still banned from politics last year to allow his party to nominate Julio Sanguinetti. Liber Seregni, leader of the Broad Front, was in jail for nine years until his release in March. He and more than 10,000 of his coalition's activists are still proscribed because of their alliance with the outlawed Communist Party. But they have called for the elections to proceed. "For us, persons don't count," Mr. Seregni said. "The country comes first." But public positions, aside, the parties are increasingly aware that if allowed to run, Mr. Ferreira Aldunate might now win.



Wilson Ferreira Aldunate being escorted off a ferry by a Navy officer on his return to Montevideo, Uruguay, last weekend.

Christian Forces Object

Cabinet Takes A Stab at Army Reform In Lebanon

By JOHN KIFNER

BEIRUT, Lebanon — After some prodding from Syria, Lebanon's Cabinet announced agreement yesterday on a plan to reorganize the army as a major step toward resolving the basic problem of power sharing. But continuing violence and divisions among the country's political leaders who make up what is called the Government of National Unity tempered the official optimism about restoring peace among the warring sects.

Although Prime Minister Rashid Karami hailed "a day full of happiness," army reform, an issue that had been preoccupying the ministers since the Cabinet's formation eight weeks ago, has been denounced all along by the powerful Christian militia, raising the question of whether the leaders had the will or the ability to control their private military forces.

The American-trained, Christian-dominated Lebanese Army split apart in February when Shiite Moslem and Druse militias took over West Beirut. The fighting brought back the Green Line dividing the western sector from the Christian-dominated east and spelled the end of American involvement here. Putting the army back together is seen as the vital first step in establishing effective government and in opening the airport, closed for the last four and a half months. The nightly artillery barrages across the Green Line underscored the need. Indeed, even as the Christian and Moslem ministers were striking a deal, heavy shelling by Christian forces against West Beirut continued.

Deprived of his American backing, President Amine Gemayel had been forced to turn to Syria, long the *bête noire* of his Maronite Christian followers, for help. At his request, Syrian Vice President Abdel Halim Kaddam arrived here Monday to help broker a deal. The one outlined by Mr. Kaddam and discussed at length by the Cabinet before being adopted yesterday calls for striking a Moslem-Christian balance in the army command.

Under the unwritten National Pact that has allocated power among the sects since 1943, the posts of president, army commander and chief of military intelligence have been reserved for Maronite Christians, who also hold a six-to-five edge in Parliament. Moslems have charged that the army is an instrument of Christian domination and have demanded the resignation of the commander, Gen. Ibrahim Tannous, a Maronite with close ties to the Christian militia known as the Lebanese Forces.

Under the new plan, General Tannous will be replaced by Gen. Michel Aoun, another Maronite. This could be controversial since General Aoun has been



Burying victim of recent shelling in West Beirut.

manding Government troops facing Druse fighters in the strategic mountain town of Souk el-Garb, which protects the presidential palace in Baabda. Mr. Gemayel, who is facing resentment from troops loyal to him, insisted on the appointment of General Aoun and he and Mr. Kaddam reportedly persuaded Walid Jumblatt, the Druse leader, and Nabih Berri, the Shiite leader, to accept it. In exchange, the President and the Christian ministers rescinded decrees putting all military control in the hands of the commander. A six-man multi-confessional council will be formed to oversee the army and the chief of staff's post, traditionally held by a Druse, will remain in the hands of Maj. Gen. Nadim el-Hakim, who walked off the job when the army, along with Christian militiamen, fought the Druse in the mountains last September. In addition to military intelligence, there would be a new agency, Public Intelligence Directorate, headed by a Shiite, to handle political matters.

The Moslem Sixth Brigade in West Beirut, which does not obey the central command although it accepts its paychecks, would reportedly be augmented with Christians while the Christian Fifth Brigade in East Beirut would be leavened with Moslems, according to the plan. Then the army would replace the militiamen along the Green Line and provide security throughout the city.

Mr. Karami said this meant that Beirut would become "a unified capital of a unified Lebanon." But after eight years of unremitting strife here, many others were less optimistic. There was widespread doubt that the Government plan could be implemented on the ground, particularly given the opposition of the Christian militia, a force associated with Mr. Gemayel's Phalange Party.

Before the agreement was reached, the Lebanese Forces asserted they would not give up their positions "because Christian society can no longer tolerate failure of security and political experiments." Their statement added:

"Those thinking anew of reuniting the army along previous and unsuccessful lines, ought to test this plan in a dry desert. If it succeeds, then they can move it to populated areas. This people has paid enough of its blood as a price for formulas that have been overtaken by events."

Another hard-line Christian group, the Guardians of the Cedars, seemed to leave little room for compromise. It warned those who engage in "cheap politics on the inside and their masters abroad, who have installed themselves as our guardians, to take their hands off the army, which they have been slaughtering, disfiguring, dismantling, weakening and neutralizing over the past 10 years."

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Industry's New Stake in Space

Monday's launch could mean big money — maybe.

By MAXINE POLLACK

On Monday, when the space shuttle Discovery makes its scheduled liftoff from Cape Canaveral, Charles Walker will be on board, a pioneer among astronauts. The McDonnell Douglas engineer will be the first person from private industry to voyage into space, and with him a new era for business will be launched, one that could extend forever the frontiers of corporate America.

"It's a new area, an area that is providing a great service to mankind in general, and it's one of the most exciting technologies for our future corporate activity," said an exuberant John Yardley, president of McDonnell Douglas, of the experiment that his engineer will conduct on board. In fact, he said, "we're a little nervous we won't be able to expand fast enough, once demand for the products builds."

The journey to space by Mr. Walker, a 35-year-old "commercial payload specialist," could lead to the development of the first product made in space by a private company, a new drug that scientists and analysts say could be a major advance in the treatment of diabetes. In tests during four previous shuttle flights, the hormone that Mr. Walker will work with proved to be up to 700 times larger and four times purer than any produced on earth.

If his mission is successful — and scientists expect it will be — McDonnell Douglas and its partner in the venture, Ortho Pharmaceutical, a division of Johnson & Johnson, will be in the vanguard of what both companies predict will be a multimillion-dollar market covering a wide range of pharmaceutical products.

But the companies are not the only ones poised to gain from the experiments. The Government, too, is betting heavily on commercial space ventures, some of which have clear military applications. It is providing financing and technical assistance in return for a share in the research findings and some monitoring by company engineers of NASA projects. It is also trying to insure that the United States remain pre-eminent in space — and stay ahead of the West Germans, Japanese and French, who have made major advances in satellite communications and aeronomics.

"We lost out on autos, we lost out on steel, but this is the one area that is still a vibrant U.S.-dominated industry," said Mark Oderman, vice president of the Center for Space Policy Inc., an independent research and consulting firm in Cambridge, Mass.

So far, the biggest profits in space for private companies have come from satellite communications, a technology spun off 20 years ago, six years after America's space program began. This technology now accounts for some \$1.5 billion in annual revenues. But the profits from commercial space ventures are expected to go beyond that. By 1996, space manufacturing of all sorts of products will develop into an \$8 billion industry, analysts say.

Getting to that point is the challenge. The payouts, although potentially huge, are at least a decade away, so companies must be prepared for such a wait. Because there are no precedents for space manufac-

turing, unforeseeable hitches could emerge that set back efforts or wreck their financial feasibility. And although the Reagan Administration has been strongly supporting a commercial space policy — with a space station as its cornerstone — such a policy has not yet been put on the books.

Still, a number of companies are gearing up to venture into the unknown. So far, some 15 non-aerospace companies — including John Deere & Company, Hewlett Packard, Arthur D. Little, Teledyne, and Westinghouse — have signed cooperative agreements with the National Aeronautics and Space Administration to start research that they hope will eventually lead them into space. Another 20 companies are negotiating such agreements, many of them through intermediaries under contract to NASA, such as consultants at Coopers & Lybrand and Booz Allen Hamilton.

Within the next decade, at least several companies will be conducting scientific experiments with commercial applications on board the shuttle. Their hope is to begin manufacturing in space shortly thereafter.

"It's very expensive, but a good

successful experiment in space can cut off years of research in a ground-based lab," said Christopher Podsiadly, who heads a 23-man space research unit of the Minnesota Mining and Manufacturing Company, which envisions at least 10 years of preliminary testing in space, starting later this year, before manufacturing of super-thin coatings for industrial products and films can begin. "If the information is good, you could save a lot of R.D. dollars and time on the ground."

The Government is also convinced that the risk is worth taking. According to International Resource Development, a market research firm in Norwalk, Conn., the manufacture in space of a host of products, which is generally categorized as materials processing, will be a fast-growing business for the rest of the century. By 1987, the retail value of pharmaceuticals made in space will amount to \$100 million, increasing to \$5 billion by 1996, it forecast. Business also intends to test other products that range from semiconductor materials to metals, plastics to electro-optical fibers.

Venture capitalists have seen the possibilities. "If you look at the ven-

ture capital markets, which are a proving ground of interest, in 1980, there was roughly \$10 million spent," said Mr. Oderman of the Center for Space Policy. "Last year that figure was roughly \$100 million." By 1983, that number could rise to "between \$500 million and \$1 billion on an annual level," he estimated.

Even though space manufacturing remains a twinkle in the eyes of its planners, it already has spawned a host of service and supplier industries. In addition to Mr. Yardley and mission control at Cape Canaveral, many scientists and engineers, bankers, politicians, lawyers and insurance brokers will be watching tomorrow's flight. So too will executives at the highly specialized companies — space hotel planners and global pollution monitoring concerns, for example — that have already begun to form on the periphery of the space program.

Although the major corporate efforts are still in the embryonic stage, the companies are hoping that their research will eventually pay off. Materials processing could yield purer drugs for treatment of ailments including diabetes, kidney disease and certain forms of cancer. And it could yield vastly improved industrial crystals, cast iron, electroplating, films and coatings, enzymes, glass alloys, and blood storage systems. An emergent field, space transportation, is spawning designs of smaller space vehicles, space stations and new "remote sensing" technologies.

"There are so many commercial possibilities in space, we have no way of knowing now what we'll be doing up there in the future," said Jerry Grey, publisher of Aerospace America magazine and a respected author of books on space subjects. "In the 1980's, when electromagnetism was discovered, people couldn't have imagined the microelectronics industry, electric motors, electricity itself. Yet see how that has pervaded our entire life."

The commercial space program has developed in the United States as a result of strong Government interest. In the last 25 years, the United States has invested roughly \$17.6 billion in its non-military space program, with about 90 percent of that spent on contracts with private-sector companies, according to the Aerospace Industries Association, a Washington trade group. By 1997, if NASA continues to receive funding of around \$7.5 billion a year, with subsequent annual increases of 2 to 3 percent, the agency will spend \$65.8 billion more on research and development contracts to aerospace and non-aerospace companies involved in space ventures.

How many and how fast other companies follow McDonnell Douglas's lead will depend largely on government policy. Components of a national commercial space policy, set in motion by the Reagan Administration and based on proposals by industry representatives and NASA, are currently under review by members of Congress and government agencies.

The eventual policy is intended to authorize legislation supported by Democrats as well as Republicans that would enable companies to benefit from a package of tax incentives, research and development credits and the expanded use of NASA facilities by corporate America, including the vast storehouse of information accumulated by NASA during the 26 years that America's space program has been in effect.

In 1987, NASA plans to launch a "strictly business" shuttle whose entire cargo bay will be leased by one company, as yet unnamed, and then subleased to others with commercial payloads.

The Economy

WEEK IN BUSINESS

Startling Strength In the 2d Quarter

The "flash" estimate showing the gross national product expanding at a 5.7 percent rate in the second quarter surprised many analysts, who had been predicting a rate closer to 3 or 4 percent. In contrast to the revised 9.7 percent rate of the first quarter, the second quarter has moderated. But in past recoveries, the economy had slowed significantly by this point. Despite an inflation rate that is declining, some analysts worry that a still-spurring economy could lead to harsh inflation. Others say the figures may indicate fundamental changes in the economy that avoid the boom-bust cycles that have prevailed since World War II.

More recent data for the quarter may indicate slower growth. Consumer prices rose two-tenths of 1 percent in May, and orders for durable goods increased 3.3 percent. Housing starts, slowed by increases in mortgage rates, fell 10.5 percent. Capacity utilization rose just two-tenths of 1 percent. The current account deficit of foreign trade was a record \$19.4 billion in the first quarter, and the worst may be ahead.

Citicorp Changes. John S. Reed, whose innovations in consumer banking earned him both respect and wrath, will take over as chairman and chief executive of Citicorp when Walter B. Wriston retires in August. Mr. Reed, who has little commercial banking experience, is expected to carry on the bold initiatives of Mr. Wriston. His management style is described as unbanker-like.

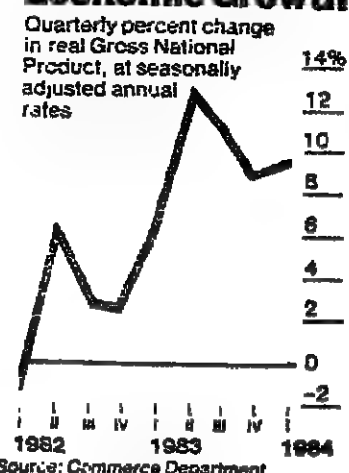
Stocks shot up early in the week, gaining almost 45 points in the first three trading days after a dismal ending the previous week. But the rally moderated as the week wore on. The Dow Jones industrial average finished at 1,311.07, up 44.17.

Bond prices continued to fall during the week, even after a \$3 billion increase in the money supply was announced Thursday. Investors are apparently still worried about rising interest rates.

Latin American debtor nations sought new ways of dealing with their huge foreign debts at a meeting in Cartagena. Proposals to create a commission to confer on Western debt sounded suspiciously like the "debtors' cartel" that the nations insisted they were forming. The outlines did not specify whether the panel, if formed, would deal with debt as a political problem or would seek to negotiate unilaterally easier repayment terms with Western banks and the International Monetary Fund.

Under a new interpretation of Federal rules, banks must declare foreign loans to be nonaccruing as soon as interest payments come 90 days past due. Previously, banks declared as nonaccruing only those loans that were 90 days past due at the end of the quarter. The interpretation is viewed as a temporary setback to bank earnings. But on a broader level, it is seen as strengthening the banking industry and giving it more leverage

Economic Growth



against Argentina and other third-world debtors.

A 50 percent stake in 20th Century-Fox held by Marc Rich, the fugitive financier and commodity trader, may be sold to Marvin Davis, the oilman who holds the other 50 percent. But the Government, which has frozen Mr. Rich's assets because of a huge tax fraud case, must approve the sale.

A new plan for Continental Illinois National Bank would have the Federal Deposit Insurance Corporation pledge \$4.6 billion in loans and guarantees to entice bidders. Under the plan, circulated by Goldman, Sachs, the Chicago Fed would lead \$2.6 billion to establish a new national bank, which would buy \$4 billion in problem loans from Continental. The more attractive Continental that remained would be acquired. Analysts note that the plan still places great risks on Continental's current shareholders.

Sale at Tiffany's. Avon, which bought the prestigious Fifth Avenue jeweler just five years ago, wants to sell Tiffany & Company because it has not met the financial and image-lifting goals the cosmetics company set for it.

The sale of Atlantic Richfield's aluminum assets to Alcan for \$1 billion will be opposed by the Justice Department on antitrust grounds. The companies said they would try to amend their agreement.

Alcoa and Kaiser, meanwhile, said they would cut back aluminum production and lay off workers because of low prices and high costs.

On the Right Track. A total of 13 groups bid for Conrail, the now-profitable, Government-run railroad. The offers range from other railroads, such as Norfolk Southern and Burlington Northern, that want to add Conrail's Northeastern corridor trackage, to a group of investors from Citicorp who want to bring together Conrail's unions and management, to individual investors such as J. Willard Marriott Jr. of the hotel Marriotts. Goldman, Sachs is reviewing the bids.

Merrill Perlman

The Secretive Life of a Top Arbitrager

By ROBERT J. COLE

HERE he was, sitting on a park bench, out of a job and staring into space. Even then, he was impeccably dressed, vest and all, killing time in Central Park, wondering when his chance would come.

That was just 14 years ago. Nobody had ever heard of Ivan F. Boesky, except maybe around Detroit, where in the old days the family name stood above the best delicatessen in town.

Today, he is known as one of the best-informed men on Wall Street, widely feared, grudgingly respected and at the age of 47 probably worth \$250 million or more.

The "more" is what seems to propel Mr. Boesky, the world's most successful arbitrageur, and member of a secret clique of audacious professional traders who bet hundreds of millions of dollars on the outcome of corporate takeovers.

The past few years of rampant merger activity have been big ones for the "arbs." But just how big is anybody's guess because their businesses are private. Mr. Boesky, for example, was one of the biggest buyers of Gulf stock before the oil company was bought by California Standard, and was just as big a buyer of Getty stock before it was bought by Texaco. He is reputed to have made between \$50 million and \$100 million on each of them.

In essence, what arbitrageurs do is to buy a company's stock when it becomes a takeover target, betting that they will make a profit if the deal goes through. The art is to measure the risk they face if the deal fails and catches them with stock that nobody

wants — either because the target resists, the courts or the Government step in or the deal disintegrates. How much they can find out about a situation often spells the difference between success and failure.

Some professionals treat arbitrage as their only business, although Mr. Boesky is now moving into other areas such as buying companies. Investment banking firms, like Goldman, Sachs & Company and Salomon Brothers, treat arbitrage as one of many businesses.

What separates Mr. Boesky from the rest is not easy to define. The heart of all arbitrage dealings is information, but Mr. Boesky's appetite for minutiae is legendary, and he is willing to pay for every scrap of information he can get, no matter how seemingly inconsequential.

"He's the best in the business," a close Wall Street friend maintained. "He's made more money than any of us and that makes him the best."

Mr. Boesky's philosophy seems clear enough. It is spelled out on a plaque in his private office. The inscription, by A. Bartlett Giamatti, president of Yale University, reads in part: "Winning is not everything but it is something powerful, indeed beautiful, in itself, something as necessary to the strong spirit as striving is necessary to the healthy character."

But Mr. Boesky's winning streak was a long time in coming. When he was just a few years out of college, his old roommate, Marvin H. Davidson, now an executive with Bear, Stearns & Company, had been telling him about his work in arbitrage. It sounded exciting.

Determined to try his hand, he came to New York in 1968. Before long he had landed a job at L. F. Roth-

schild & Company, where he became a stock analyst. Set on getting into arbitrage, he soon joined the First Manhattan Company, where he worked alongside Harry L. Schick, the premier arbitrageur, and discovered his calling. But by 1970, First Manhattan decided to de-emphasize arbitrage, so Mr. Boesky left, working for a time in a variety of Wall Street jobs.

But even when he was spending his time in Central Park, he was convinced that arbitrage was his way to the top. By 1972, his chance came. Edwards & Hanly asked him to create an arbitrage department, and it soon became the company's biggest profit center. Within three years he was in business for himself.

Even for Mr. Boesky, the perils of being an arb can make life harrowing. In the first few weeks on his own, he almost lost half his capital.

And there was the time in 1982, when Gulf backed out of its agreement to buy Cities Service. Mr. Boesky and other arbs had loaded up on Cities Service stock in hopes of reselling it to Gulf later at a huge profit. But when Gulf withdrew, Cities Service shares plunged and Mr. Boesky was left with a bundle of stock. Occasional subsequently agreed to step in but would not pay nearly as much as Gulf. It was enough, however, to cushion Mr. Boesky and others.

These days, Mr. Boesky wins more than he loses. A former associate recalled the other day that a few years ago, after Mr. Boesky had made a killing in the market, he said, "Ivan, you've already made more money than you can ever spend. What are you really after?"

"I want to be rich," he quoted Mr. Boesky as replying. "I want to be worth..." Mr. Boesky mentioned a big number, but the former associate wouldn't repeat it. But he added, "He's a driven man."

Another close observer thought that money alone was no longer Mr. Boesky's goal, that what he really wanted was "to establish a name, to be a modern Rothschild."

The reference to one of the world's great banking families pleased Mr. Boesky immensely. "Of course," he said softly, "one has an ambition to succeed." The French and English Rothschilds, he said, are his "very good friends." Jacob Rothschild is an investor in his British company and Baron Elie de Rothschild once gave him a bottle of wine for his cellar.

But there is another side to Ivan Boesky, a side that perhaps explains why dozens of millionaire Wall Street executives absolutely refuse to talk about him. Those who do, discuss him from a distance, often with sketchy details and usually only after assurance that they will not be identified.

"If anecdotes are supposed to be funny, there aren't any about Ivan," said Alan C. Greenberg, head of Bear Stearns. "He's too serious."

Aware that his movements are watched — by other arbitrageurs who want to buy when he buys and sell when he sells — Mr. Boesky may ask one broker to tell a second broker to buy for him through yet a third.

But the sheer size and audacity of Mr. Boesky's dealings, unlike anything ever seen on Wall Street, make him stand out almost as if he had a sign pinned on his back.

"Ivan's buying," the word goes out.

The New York Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED JUNE 22, 1984

(Consolidated)

Company Sales Last Net Chng

Sup Oil 12,878,700 42% +

Petrin 12,567,900 18 +

AT&T 11,933,200 17% +

IBM 7,490,800 105% +

Texaco 5,542,700 34% +

Bell So 5,370,600 28% +

Sears 5,214,100 32% +

G Mot 5,026,200 65% +

Mir Lyn 4,452,700 27% +

Chrysler 4,168,500 25% +

Motri 4,148,700 34% +

Es Kod 4,099,400 71 +

Exxon 4,080,100 40% +

Pc Tel 3,838,500 55% +

Mid S Ut 3,792,000 11% +

Standard & Poor's

400 Indust 177.2 188.5 175.8 +6.59

20 Transp 127.7 120.8 126.4 +5.23

40 Util 64.6 63.2 64.0 +0.63

40 Financial 15.4 14.6 15.3 +0.68

500 Stocks 155.6 148.5 154.4 +6.43

Dow Jones

30 Indust 1143.4 1079.3 1131.0 +44.17

20 Transp 481.0 454.8 475.1 +17.08

15 Util 125.4 122.0 124.3 +2.07

65 Comb 444.1 421.2 439.2 +15.34

The American Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED JUNE 22, 1984

(Consolidated)

Company Sales Last Net Chng

Wang 1,821,800 27% +

TIE Comm 1,598,800 14 +

BAT 1,036,100 3 -1/16

NatPatent 534,300 16% +

DomePet 512,800 2% -1/16

Granger 494,100 24% +

Helzer 490,800 17% +

EchoB 329,100 8% +

MtchIE 307,100 19 -

GalxyO 305,500 2% +

MARKET DIARY

Advances 418

Declines 225

Total Issues 643

New Highs 21

New Lows 82

MARKET DIARY

Advances 418

Declines 225

Total Issues 643

New Highs 21

New Lows 82

WEEK'S MARKET AVERAGES

High Low Last Change

New York Stock Exchange

Indust 105.6 101.3 105.0 +3.75

Transp 79.9 76.9 79.6 +2.76

Util 44.2 43.2 43.9 +0.60

Finance 82.0 78.9 81.7 +2.70

Composite 86.5 86.0 89.0 +2.89

VOLUME

(4 P.M. New York Close)

Last Week

Year To Date

Total Sales 504,887,370 11,082,800,559

Same Per. 1983 468,030,620 10,785,107,232

WEEK'S MARKET AVERAGES

High Low Last Change

New York Stock Exchange

Indust 105.6 101.3 105.0 +3.75

Transp 79.9 76.9 79.6 +2.76

Util 44.2 43.2 43.9 +0.60

Finance 82.0 78.9 81.7 +2.70

Composite 86.5 86.0 89.0 +2.89

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The New York Times

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The Debts That Bind

It now seems possible that Argentina won't pay the \$350 million due its creditors before the end of this week. Will this default finally set off the global debt bomb? Probably not. American banks among the creditors may have to write down their profits or invent a new contrivance to postpone the day of reckoning. In any case, the fundamental problem will persist.

Argentina's new Government, desperately trying to build genuine democracy, pleads it cannot make painful economic adjustments as fast as is wanted by the bankers and the International Monetary Fund. To avoid public unrest, the Government led by President Alfonsín says wages must rise 6 to 8 percent faster than the feverish inflation, now higher than 500 percent a year. Politically muscular labor unions want even fatter raises; the banks and the I.M.F. insist on less. So Argentina stands defiant and the financial world is treated to yet another nerve-racking confrontation.

Still, the two sides need each other and show signs of understanding that. At their London summit meeting two weeks ago, the industrial democracies pledged more aid for developing countries on more generous terms. Also, the banks have agreed to discuss easier terms for Mexico and Brazil, the biggest debtors, as a "reward" for economic progress already made. And new Federal regulations require American banks, in their earnings reports, to face up more honestly to defaults.

Argentina, in turn, last week softened its intransigence by making an interest payment that had been due in January. And 11 Latin debtors at their own summit meeting in Colombia issued a non-

threatening plea for understanding, to be pressed by a joint consultative group, and backed by promises to pay their debts.

Assuming that this quarter's crisis is resolved by yet another compromise, it has again illuminated the huge dimensions of the debt problem. The third world's massive foreign debt won't be repaid for many years, if ever. The way to get the largest portion of it repaid is through sustained economic growth that lets the debtors earn their way back to solvency. That is already happening in some countries, but the staying power of the current economic expansion is uncertain.

The economic facts of life will force the debtor nations to take politically difficult steps. The creditors, too, need to take some.

Above all, they need to restrain rising interest rates, which only make matters worse. Capping the rates for poor nations and adding the excess to the end of their loans could relieve some of the burden. Or a special I.M.F. account could be created, from which debtors could draw when interest costs exceed a certain level. Stretching repayment schedules would also help.

Just as urgently, the developing countries need markets for exports. The industrial nations simply have to resist protectionist barriers against them.

Finally, the austerity measures proposed for debtors have to be custom designed. Argentina's democracy can't take as much pressure as Mexico's. The debt bomb has been ticking for two years while both debtors and creditors have made a lot of adjustments. Disaster will be averted if one central principle is observed: The debtors need to earn their way out of hock and therefore need time and opportunities to earn.

Let Washington Set the Drinking Age

Drinking and driving don't mix — especially when teen-agers do the mixing. The number of drunk drivers involved in fatal crashes declines sharply after 21, and when states raise their drinking ages from 18 to 21, accident rates drop 30 percent. That's why a Presidential Commission on Drunk Driving last year recommended a national minimum drinking age of 21. President Reagan finally endorsed this sensible idea last week, and Congress can make it a reality.

Twenty-three states now set the drinking age at 21. But teen-agers often get around those laws by driving to a nearby state where the drinking age is lower. Many New Jersey teen-agers unable to drink legally until 21 can drive to New York, where the legal age is 18, or Connecticut, where the limit is 20. They're not likely to be in any condition to drive back.

Under a House bill passed earlier this month, a state would have two years in which to raise its legal

drinking age to 21. If it didn't comply, it would lose 15 percent of its Federal highway funds over the following two years.

New Jersey's Frank Lautenberg is sponsoring similar legislation that will be considered by the Senate this week. His bill would also encourage stiffer punishment for all drunk drivers by increasing Federal highway safety grants to states imposing tougher enforcement measures. That's a sounder approach than one suggested by Steven Symms of Idaho, who would simply offer increased safety grants without the threat of any lost highway construction money.

Opponents of the legislation include restaurant owners, student groups and states' rights advocates who resent Washington's involvement in the issue. But they have no good answer for the border-crossing problem, which threatens drivers of all ages. It's too serious a matter to ignore for the sake of either special interest or ideology.

Hiring Rights and Conscience

New York City and the Roman Catholic archdiocese and Salvation Army are at odds about hiring practices as they affect homosexuals. Mayor Koch says he must enforce his order against discrimination in hiring by private agencies doing business with the city. The religious organizations say their doctrines prevent them from signing the required anti-discrimination pledges.

The religious agencies insist they don't in fact discriminate, yet balk at making a declaration they regard as contrary to church teaching about homosexuality. It's hard to believe that their nondiscrimination cannot be promised in words that nonetheless protect their freedom of conscience. But the search for acceptable language now awaits a separate issue. The archdiocese has challenged Mr. Koch's right to issue such an order without legislative action by the City Council.

The Mayor has therefore agreed to honor the annual contracts of \$4 million for the army and \$76 million for the archdiocese for child care and other

social services. The time thus gained should be used for constructive negotiation.

These valued institutions provide only a fraction of the social services for which the city contracts with private agencies. Mayor Koch's humane order still governs billions of dollars worth of business, capital construction and purchases. A church-state collision should be avoidable.

Orthodox Jewish groups have acquiesced in the city's policy while firmly announcing that they do not condone every sexual practice of every employee of a city contractor. The Roman Catholic Diocese of Brooklyn, the most populous in the nation, did not encounter the problems raised for the archdiocese by Archbishop John J. O'Connor.

Hiring a homosexual neither promotes nor condones homosexuality. All it does is deny the right of a public agent to deprive citizens the right to work because of private lifestyle. Sensitive city and church officials conscious of their public duty should be able to resolve this principled dispute.

Topics

Brambles, Mumbles

Wild Strawberries

A Brooklyn man who spends week-ends in Dutchess County feels a lot of sympathy for Steve Kenney of Kenmore, N.Y., a Buffalo suburb. Mr. Kenney is going to court to defend his right to let his lawn grow wild, even though it offends his well-mowed neighborhood.

"I've never made any effort to civilize my lawn in the country," says the Brooklyn man, "because I was totally charmed by what I found in the weeds — violets, clover, hepatica, mint and columbine, not to mention the great blue lobellias and a couple of lovely magenta flowers that even experts can't seem to identify."

"In a couple more weeks, we'll have the supreme treat of the summer: wild strawberries. They grow low to the ground, with little white flowers. After the petals drop off, the yellow stem tip develops into the berry, ready to pluck when it finally

turns blood red in the sunshine. When you crush it against the roof of your mouth you taste a sweetness that can't be described."

"So I'm all for Steve Kenney, but I'm not sure he's going to win by going to court, quoting Thoreau and denouncing the conventional lawn as environmentally unsound."

"That's not what I'd do if my neighbors ever started to hassle me. I'd invite them over for a tour of the flowers — and then I'd pass around a plate of those wild strawberries."

Rigoletto's Real Crime

Verdi's "Rigoletto" has survived its New York debut in the English National Opera's rendition without off-stage incident. Italian-Americans had perceived a libel in promotional materials that described the story's relocation to the "così nostra world" of the New York Mafia in the 1950's.

But that occasioned no boos at the Metropolitan Opera the other evening.

The British rendition, which transplants the action from the Duke's court in Mantua to a Manhattan bar filled with hoodlums, seems to stir no ethnic group. We say "seems" because the wretched diction of the British singers made it impossible to tell what they were singing. As our critic Donald Henahan observed, the tenor playing the villainous Duke "worked with almost complete success to disguise the fact that the production was sung in English."

The London company is not alone in this villainy. Otherwise accomplished performers frequently maul the English words to their music. Perhaps the New York City Opera, which is ingeniously substituting French and Italian words in foot-high letters above the stage's arch, will accept the challenge and prepare visual aids for English texts, as well.

Letters

'A Rolls-Royce for Everyman' Just Won't Do

To the Editor:

Flora Lewis's June 7 column, "The Tiffany Model," gave refreshing attention to the huge problem of unemployment that the rise of high technology and the decline of smokestack industries will produce, unless the Republicans, the Democrats or others with power face it creatively.

Her Tiffany model, says Miss Lewis, "offers a way to conserve materials and provide humane work." She proposes "a revolution of marketing concepts from the throw-away society to the make-it-better society."

But without some additional step, making goods that last would presumably hurt profits as well as employment. In spite of long consumer demand, durability has not been unduly prevalent, except as some manufacturer acted against a perceived short-term interest or Japanese cars and electronics made competition real.

Miss Lewis's essential step to reduce unemployment is to provide "the equivalent of a Rolls-Royce for everyman, by bringing back the artistry of finish that makes the big difference." While that would surely keep a lot of people at work, the question is, Who needs all that artistry? It smacks of busy work. Why not a Toyota for everyone instead of a Rolls-Royce? But that alternative will only exacerbate unemployment, unless...

Unless we start paying low-paid people more for working less, even if

that means cutting the pay of some high-paid people, who after some readjustment, mutterings about Marxism, etc., will probably perform just as well if their pay is cut. Broadly distributed income means broadly distributed buying power and further assures high employment.

Sufficient food, goods and health care for everyone, full employment and shortened hours of work are, technologically, more achievable now than ever before. The present system is not achieving them. It is not seriously trying. I hope the Republicans and the Democrats will address this issue this summer.

MALCOLM H. BELL
Norwalk, Conn., June 12, 1984

Modernization's Promise

To the Editor:

Flora Lewis's idea that a world economy plagued by underemployment and income inequality can be put right by bringing back artisanship makes a wonderful premise for a Monty Python script but an utterly daffy basis for thinking about economic growth or jobs.

The role of quality in production and competition is worth pondering. To consumers of industrial products, the hallmarks of high quality are utility, durability and good design, all quite compatible with modern manufacturing, if done right. The sort of hand-finishing Miss Lewis admires is a virtue in bibelots, French

laundry and precious little else. Low quality is nothing to sniff at either, so long as the price is appropriately low too. Variations of quality permit individual consumers to select their preferred balance between price and product life, convenience or handsomeness, as the case may be.

But when low quality arises from low productivity, the products are likely to be poor bargains, and consumers will shun them — as they did U.S.-made automobiles — until the industry dies or revives itself.

New competitors may purposefully sell inexpensive low-quality merchandise, often imitating established manufacturers, in order to gain a market foothold. With mass production and wide consumer acceptance, the opportunity to increase quality profitably arises.

One need only remember the inferiority of early Japanese cameras, watches and cars and the now-forgotten tawdry connotation of "Made in Japan." Cheapness, in both senses of the word, was the foundation upon which that quality-conscious, high-employment industrial economy was first built.

Modernization of industry along these lines still offers the world's best hope for higher real incomes. Fine china and a Rolls in every garage is at best a quaintly absurd vision of the future.

RICHARD T. RAPP
Vice President, National Economic Research Associates, Inc.
White Plains, June 12, 1984

A Tale of Two Proms — Worlds Apart

To the Editor:

"A Serious Touch of Jitters Precedes a Prom Night to Remember," Michael Winerip's portrait of Prom Night '84 at Great Neck South on Long Island (news story June 15) was an amusing reminder of how the pendulum swings. At \$700 a couple, today's prom strikes me as deliciously materialistic proof of the Marxian dialectic.

Prom night for my class, the Great Neck North class of '70, was held in the spring of student discontent, just weeks after the Kent State massacre. Yes, we had a prom, but barely half the class attended. I have no recollection of where it was held, for the rest of us went to great lengths to ignore the occasion, staging small "anti-prom" parties where jeans and T-shirts were proper attire.

In fact, the "real" prom racked up such a massive deficit, because of sluggish ticket sales, that donations were solicited from parents to save the senior class from default.

If you had told us in 1970 that pastel



pink dresses and powder blue limos would ever make a comeback in Great Neck, we would have laughed and said, "Come on, that sounds like 1941!"

NINA RUBIN
New York, June 15, 1984

'The Jackson Factor Is Not a Bargaining Chip'

To the Editor:

Gerald Boyd's summation of the Rev. Jesse Jackson's campaign for the Democratic Presidential nomination ["Reporter's Notebook: Jackson at the River Jordan," June 15] provides an adequate human-interest view of this new phenomenon in American politics, but it fails to enlighten the readers on the meaning of the Jackson factor.

It is customary to call any change on the political horizon "the new politics," but the Jackson factor represents a change so basically new in the ways it has affected the political participation of blacks, it truly deserves to be called that.

The best way to understand this "new" new politics is to contrast it with the old politics: the old politics tells us blacks that we have nowhere else to go except Democratic. The new politics tells us that "going fishing" is a valid political strategy if conscientiously pursued. It insists

that if four more years of Reagan is the price we must pay to hold on to the unity of purpose and political self-respect we have gained through the Jackson candidacy, so be it.

The true meaning of the Jackson factor is that a new front has been opened in the continuing struggle for racial justice and equality. In addition to the usual struggles in the streets, in the courts and in the legislatures, now add "and for the Presidency."

The Jackson factor is not a bargaining chip in the race for the Presidency — the campaign for the Presidency is a bargaining chip in the struggle for racial justice and equality. The Jackson factor, like the (Jackie) Robinson factor before it, has opened up a whole new ball game. What plays in San Francisco in July will be merely a blip of what will be played in November, in 1988 and beyond.

EUGENE WALTON
Silver Spring, Md., June 15, 1984

Attempt on the Pope's Life: Unpersuasive Case Against Moscow

To the Editor:

In his June 11 column, William Safire misrepresents what Claire Sterling actually reports of the findings of the Martella commission investigating the attempted assassination of the Pope. Safire writes that this commission, by Sterling's report, "has assembled massive evidence that the Bulgarian secret service — obviously under orders of then-K.G.B. chief Yuri Andropov — arranged the attempted assassination."

If by "massive" Mr. Safire means "convincing," he is correct only in respect to the connection between Agca, designated hitman, and a conspiracy of neo-Nazis and Mafiosi centered in Turkey. He is not at all correct in claiming strong evidence of a connection between the Mafia-Nazi group that supplied Agca and alleged agents of the Bulgarian secret service.

Maybe the Martella commission has information on this point that Sterling was not shown or did not report, but on the evidence of her news article (June 10), the sole source of the claim that this conspiracy traces back to the Soviet Politburo is Agca himself, and the details of this or that figure or place or meeting which Sterling (and Martella?) offer as corroboration of Agca's essential story are nothing but the kind of personal trivia (a facial wart, a limp, the view from

a certain window) to be found in any intelligence file.

This sort of evidence is "massive" only in the sense that there is a lot of it. As to what it proves, the most reasonable assumption would be that the people about whom Agca is supposed to have learned so much through direct contact were under intensive surveillance by a group in a position to put its intelligence at Agca's disposal — e.g., the neo-Nazi Gray Wolves.

This case could easily become, as with the assassination of President Kennedy, a festering sore. If the Martella commission actually says what Miss Sterling implies and Mr. Safire assumes it says about Soviet responsibility, and if the evidence in support of this is as thin as the evidence presented by Miss Sterling and touted by Mr. Safire, then the commission will itself become suspect.

This is not because there are ideological paths but because the idea is so strange that the Soviets should think killing the Pope would do anything other than ignite fires of rage

against them and, having made such a decision, would then seek technical assistance — resourceful though the K.G.B. is otherwise held to be in such "wet" affairs — from their oldest and most passionate adversaries in Eastern Europe.

Why was the Soviet Politburo not worried, for example, that if it let the Gray Wolves in on its plans, they, being the Soviets' historical bitter-est foe, would slip the information to the right people at the right time and get the Soviets into a lot of trouble, and not even pull off the job?

In any case, the one consensual fact about the intelligence game as it has developed in Central Europe since the days of Lenin and Hitler is that multiple cross-penetration of the Reds and the Whites is the rule, not the exception, and that any simple judgment about reality and illusion, such as the judgment of Soviet guilt hinted at by Miss Sterling and joyously leaped at by Mr. Safire, is bound to be in fundamental error.

CARL OGLESBY
Cambridge, Mass., June 11, 1984

The New York Times Company
229 West 43d St., N.Y. 10036

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CHARLES B. BRACKETFIELD, Vice President
WILLIAM H. DAVIS, Vice President
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GUY T. GARNETT, Vice President
SOLOMON B. WATSON IV, Secretary
DENISE K. FLETCHER, Treasurer

precious little else, something to shift at the price is appropriate. Variations of quality and balance between the case may be, but the products are not bargains, and compared with the quality of the products, the price is high.

Remember the Japanese cameras, and the now-famous "Made in Japan" label. The Japanese are not only good at making cameras, but they are also good at making the "Made in Japan" label.

It Imperative Gulf Crisis

many issues the and the Soviet Union. The Soviet Union is not only a major power, but it is also a major power in the world. The Soviet Union is not only a major power, but it is also a major power in the world.

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FOREIGN AFFAIRS

Soviets Hunkering Down

By Flora Lewis

VOLGOGRAD, U.S.S.R., June 23 — French President François Mitterrand chose this officially designated hero city as the last stop on his Soviet visit in remembrance of the wartime East-West alliance. This key transport and agricultural center was Stalingrad, site of the murderous five-month battle that was the turning point of World War II on the Eastern Front, leaving the city 85 percent destroyed.

The name was changed in 1961, five years after Nikita Khrushchev's de-Stalinization speech, but the battle remains in history as the great Soviet victory of Stalingrad. That was the city's second name, changed from Tsaritsyn by Stalin in 1925 after Lenin's death.

The symbolism is thicker than battle smoke. The names and the vast tragedies they evoke reflect at once how much has changed in this huge country, the memories that block badly needed further change with fear and the deep continuity that underlies the nation's outlook.

There are always many tiers to issues here. The habit of secrecy only covers layer upon layer of opaque contradictions. A Soviet commentator, clearly disappointed by the refusal of the new leadership to risk more than minor reform, told me, in an attempt at justification, that after all so much has changed already that we have to seek continuity. It's safer.

All this has a direct impact on the rough state of Soviet-American relations. President Reagan, who abruptly switched his approach at the start of the year with new offers to deal with Moscow, has taken Soviet rejection to mean the bear is hibernating.

He is probably out of date. There was a period of sheer paralysis while the late Yuri Andropov was dying and the new leader Konstantin Chernenko was establishing his position.

But there is no longer much reason to think that Moscow is just waiting out the American elections or casting around for some better ideas on how to launch the next stage of policy.

The hard line and the hunkering down is the new policy. It is bad news.

That means great Soviet-American tension is likely to last as long as the visibly ill Mr. Chernenko, or anyway until the next Soviet Communist Party Congress in 1986, unless something dramatic and unexpected happens.

The reasons are essentially internal.

Some big change in the world situation or a profound switch in American policy far beyond anything probable even from a Democratic administration could make a difference. Short of that, the Soviets are likely to be stuck on the fork of the road marked deep freeze.

All the foreign visitors who have dealt with him recently have the impression that Foreign Minister Andrei Gromyko is in charge of foreign policy for the first time in his life.

He's been in his current job for 25 years, much longer than any of his counterparts. He's been a Soviet diplomat for 45 years. He is the man Nikita Khrushchev said would sit on a block of ice until it melted if he were so ordered.

But now, he is 75 and he has achieved in fact the power he held so long only in name. He evidently relishes it, but with a sour old man's pleasure at getting his way too late.

Unlike the rest of the Politburo, Mr. Gromyko can't be accused of lacking firsthand knowledge of the outside world and of America's vagaries. Nonetheless, he seems to share the dark misunderstandings of American and Western reactions which have recently led the Kremlin to hand propaganda victories to Washington.

Moscow is now on a Cassandra course, relentlessly warning its people there is a danger of war and tightening the reins.

The biggest question is whether this is just the leaders' ploy to excuse themselves from facing up to their domestic problems, or whether it is what they actually believe. Quite possibly, it is both.

Of course, the Soviet Union cannot go on this way indefinitely. Sooner or later, it must seek a new accommodation with the United States and move to modernize its economic system.

There is evidence that some people within the leadership are pressing to start sooner, arguing that it is better to get on with the inevitable. But for now, there has been a decision not to try anything bold on the domestic front and to wait for the results of cautious, very limited experiments in decentralization.

There is a deep sense of uncertainty, of loss of direction. In the circumstances, no initiatives in foreign policy are likely. It's a glum prospect in an age when technology is racing ahead of politics and crisis can erupt beyond control.

But there it is. Better not to have illusions and seek to limit the damage.

PRINCETON, N.J. — If President Reagan is re-elected, he will be almost 74 when he begins his second term and almost 78 when he completes it. But death may not permit him to complete it, for, under insurance actuarial tables, a 74-year-old man has only a two-thirds chance of surviving for four more years.

In fact, a President's chances are even less than that, since, in this century, one-eighth of our dead Presidents were assassinated — an occupational hazard that the actuarial tables do not reflect.

Today, President Reagan at 73 has already lived seven years beyond the age of 66, at which, on the average, our 35 dead Presidents have died. Nor has modern medicine substantially improved a President's life expectancy, since our 20th century Presidents have on the average died at the age of 67.

Still, the real hazard of electing an aging President is not that he may die in office, since succession is clear and automatic; rather, it is that he will become ill, senile or slow in thought and reactions. Most Americans know from family experience how often that happens to people in their latter 70's.

President Woodrow Wilson suffered the first of several paralytic

George W. Ball, who is 74 years old, was Under Secretary of State in the Kennedy and Johnson Administrations and United States delegate to the United Nations in 1963.

A President at 74 (77) Is a Considerable Risk

By George W. Ball

strokes on Sept. 25, 1919. For 18 months, he could function only marginally and fitfully, and, for long periods, not at all. Lying partly paralyzed in a White House bedroom, he was guarded fiercely by his wife, doctor and secretary who, in effect, ran the country. He almost never saw anyone else, and communicated, if at all, only through memorandums bearing his feeble scrawl or through oral statements by his wife.

During a special session of Congress, 28 pieces of legislation became law without Presidential approval because Mr. Wilson was unable to sign or veto them. Meanwhile, the country and the world speculated with mounting anxiety about the true state of the President's condition.

Fortunately, the United States had just helped win a great war and no hostile power could challenge our security, but today we face an antagonist armed to the teeth with nuclear weapons. As one who helped advise President John F. Kennedy during the Cuban missile crisis, I am haunted by the thought that we might again be caught up in a similar crisis

at a time when our President lay disabled. How could we deal with a Soviet Union whose leaders knew that the only man empowered to push the nuclear button was too ill to think or act decisively — if he were even able to act at all?

Congress wrestled with the problem of Presidential disability in 1967 and produced the 25th Amendment, but disability is still a prescription for chaos.

To turn over his powers to the Vice President, a President must deliver a declaration in writing to Congress that he can no longer carry out his duties. But no disabled President could make such a declaration, and a sentient President, under the influence of a vigilant wife and devoted personal staff, would most likely resist taking that step.

Only the Vice President and a majority of the Cabinet could break the deadlock by sending Congress a joint declaration that the President was incapacitated. But the President could in turn override that declaration by a new message declaring himself competent. If, after that, the Vice

President were again to challenge him, the issue would have to be resolved by a two-thirds vote of both houses of Congress acting within 24 days.

How would all this work in reality? A Vice President would hardly hesitate to risk charges of usurpation by trying to remove the President. Nor could he persuade two-thirds of the Cabinet members, chosen for their loyalty to the President, to go along without absolute assurance that the President could never recover. Yet few responsible medical experts would give such a categorical assurance. Meanwhile, the President might, as in the case of Woodrow Wilson, be kept incommunicado with a palace guard, including his wife, handing out optimistic bulletins while wild speculation filled the press and air waves.

This problem is peculiar to the American system. The Soviet Union, during its last three regimes, and Britain, during the last days of Winston Churchill, could still carry on with an incapacitated leader because the Politburo and the British Cabinet possess collective power and can act without the Chairman or Prime Minister.

But the United States' Cabinet has absolutely no collective power, and our system cannot function without someone exercising the Presidential will.

God help our country if we ever have to face such a tragic mess!

WASHINGTON

Mondale And Who Else?

By James Reston

WASHINGTON, June 23 — Walter Mondale, ahead on delegates but 15 points behind President Reagan in the popularity polls, is now looking over the Democratic field for a Vice-Presidential candidate who might help him win in November.

Should he go with Gary Hart, as Ronald Reagan went with George Bush in 1980, in the hope of uniting the party? Or with a woman or a black? Or with the person he thinks best qualified to be President, in case of accident, as Jimmy Carter chose Mr. Mondale himself in 1980?

What Mr. Mondale does about this — selecting the best President-in-waiting or the best vote-getter to help him in November — will probably tell us more about Mr. Mondale than about his running-mate.

There is a popular view that the Vice-Presidential nominee makes little if any difference, especially this year, since Mr. Mondale seems to be so far behind that as Theodore White remarked here the other night, not entirely in jest, the only woman who could help Fritz on the ticket would be Florence Nightingale or Joan of Arc.

Even so, Mr. Mondale's choice of a Vice-Presidential nominee will be the first indication of the quality of the people he would put in his Administration if he won. And considering the disappointing record of Mr. Reagan's appointments to the Cabinet, White House staff and embassies abroad, Mr. Mondale's decisions in this period of rest and reflection, about where he's going and who's going with him, could be important.

We all know the old historic and music-hall jokes about the Vice Presidency, and even now they're vaguely amusing. Franklin Roosevelt picked John Nance Garner as his Vice President, hoping to assure the electoral votes of Texas, and after eight years in that office, Mr. Garner concluded that the job wasn't "worth a pitcher of warm spit."

In more elegant terms, John Adams, our first Vice President, wrote that "my country has in its wisdom contrived for me the most insignificant office that ever the invention of man contrived...."

Yet as Martin Wattenberg, among others, has recently reminded us, in an article in Public Opinion, nine Vice-Presidents have had to assume the daunting responsibilities of the Presidency upon the death or resignation of their skippers. They served 26 years as President, and four of them were then elected for four more years in the Oval Office.

In recent years, these facts have gradually changed the role of the Vice Presidency. Franklin Roosevelt shunned Harry Truman, didn't even tell him about the invention of the atom bomb. Dwight Eisenhower tolerated Richard Nixon but just barely. Lyndon Johnson intimidated Hubert Humpfrey and everybody else who doubted his conduct of the Vietnam war.

But lately there has been a switch. President Carter brought Mr. Mondale into the center of executive decisions, and President Reagan not only forgave George Bush's opposition in the 1980 campaign, but has used and trusted him as a key member of his Cabinet.

As a result, Ronald Reagan, now in his 74th year and the oldest President in the history of the Republic, has dealt with the Vice-Presidential question with the utmost care. And Mr. Bush, who has served in the Congress, as head of the Central Intelligence Agency, as Ambassador to the United Nations and to China, has not only been involved in the major decisions of the Reagan Administration, but has had the good judgment to be invisible in the process.

Now it is Mr. Mondale's turn to choose, not only a Vice-Presidential nominee, but a shadow Cabinet to run against the Reagan-Bush ticket, and also against Mr. Reagan's Cabinet and White House staff, dominated by the President's California friends. This may be Mr. Mondale's best chance.

There is little evidence so far, however, that Mr. Mondale has put his mind to the problem of ideas for the future or people who could help him define and administer them. It's not that he lacks resources. He has in the universities and elsewhere a great number of talented supporters, who are deeply troubled about Mr. Reagan's deficits at home and particularly his staggering and blundering abroad. But Mr. Mondale has not recruited them and has yet to make a speech about the future anybody here remembers.

Looking alone at the Democratic Party Presidential candidates he has already defeated — Messrs. Hart, Jackson, Glenn, Cranston, Hollings, McGovern, and Askew — not to mention such others as Senators Bentsen of Texas and Bumpers of Arkansas, among others, Mr. Mondale already has the makings of a Cabinet that could match Mr. Reagan's buddy boys, which is not saying much. But Mr. Mondale is not bringing them together.

He is saying he has won but he's still talking about delegates instead of ideas, about the convention instead of the election. His choice of a Vice-Presidential nominee will be the first test of his judgment, but even that will not tell us whether he intends to go it alone or pick a shadow Cabinet that can demonstrate that in November the people will be choosing not merely a man but an executive organization that looks better than Mr. Reagan's California pick-up team now running the White House and the major departments.



'Greenmail,' New Form Of an Old Cynicism

By Michael M. Thomas

In 1961, when I first ventured onto Wall Street, I was immediately confronted by what seemed a disturbing ethical anomaly. On the one hand, Keith Funston, president of the New York Stock Exchange, was scuttling about the country scouting up new investors with the exhortation, "Own Your Share in America!" On the other, it was an article of absolute faith among the Street's professionals that "the public is always wrong."

This paradox was brought to mind by the howling and how-wowing raised for and against the latest game in town, "greenmail." Greenmail is a play in which a financial sharpshooter creates a takeover threat by purchasing a chunk of a company's stock. This scares the incumbent management into coughing up tens to hundreds of millions of the other stockholders' cash and borrowing power to buy back the sharpshooter's shares, usually at a big premium, to make him go away. For all the excitement, however, greenmail is merely the latest variation on a theme that has dominated the Street at least since the Age of Funston: utter cynicism with respect to the small or unaffiliated shareholder.

It has been contended that Sid Bass

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and Saul Steinberg, to cite two notorious examples, behaved in a most un-American way toward the managements of Texaco and Walt Disney Productions; the right to run a company for their entertainment is a truth managements regard to be as self-evident as anything Jefferson put into the Declaration of Independence. It's hard to blame Messrs. Bass or Steinberg: They played by the rules in force and they can't logically be held to be their brother stockholders' keepers. That is management's job.

It's the game itself that stinks. Managements and stockholders are being hoist on the petard of the institutionalization of the capital markets, which is something they themselves devoutly encouraged back in the 1960's. Since most institutional investors are exempted from taxes, their investment thinking has become short-term to an extreme degree. This attitude, combined with near-total credit deregulation, has transformed the nature of stockholder relations and the capital markets themselves.

The markets' function is no longer principally to provide capital for productive or rehabilitative investment, nor to serve as agencies for temperate long-term investment of the nation's savings, but to generate excessive, some would say outrageous, returns to professionals and insiders. In 1983, nine of the 13 highest salaried executives of American public companies worked for securities firms.

With all due respect to the Funston doctrine, if you've got a few grand in the bank, about the stupidest thing you can do today is to own your share of America, because your share isn't the same as the big fellows'.

The sums the "paper entrepreneurs" are being paid to trash the credibility and composition of our capital markets is a disgrace. By comparison, what the United Automobile Workers and the United Steelworkers were paid to give us 10th-rate cars built with overpriced steel is peanuts. Sooner or later, the chickens will come home to roost, and when they do, they'll be the size of 747's.

Can anything be done? As usual,

complicated new laws are being proposed, but those will just add to the confusion. Certainly, it seems there is room to proceed against greenmailers under the "short-swing profits by insiders" provision of the 1934 Securities Act, and for the courts to compel them to disgorge their gains. Although I am told that the 1934 act limits its definition of "insiders" to officers and directors, it seems arguable that a chap who owns enough stock to make a large corporation dance to his tune, or, as in the case of Disney, to eviscerate itself financially, is about as far inside as a person can get.

The indecent recklessness with which institutions blow in and out of a stock must be curbed. The answer may come through some revision in tax policy that would encourage long-term investing. This will, of course, set the free market boys a-baying, probably led by William E. Simon, who characteristically popped up in the Disney imbroglio to skim off a few quick mil. Nevertheless, the suspicion persists that the symbolic fingers on Adam Smith's "invisible hand" included not only digits representing opportunism and expediency, but elemental fairness as well.

What's going on now smells pretty much like the years before 1929, but then again perhaps we should take comfort from the first Henry Ford and his intellectual descendant in the White House and remind ourselves that history is bunk.

Sure it is.

A Contra-diction

By Laurence R. Birns and James M. Anderson

of United States ground forces in a regional conflagration. Mr. MacMichael's testimony should make it much easier to mount that challenge. If the Senate falls now, it will have failed us all in its responsibility as our most important deliberative body.

The Administration seems to have chosen a strategy much like the one President Lyndon B. Johnson used at the time of the Tonkin Gulf incident — make the charge, use it to get Congress to approve the policy and then lie in order to sustain it.

The Reagan Administration first made its case about the Nicaraguan arms connection in a "white paper" released in February 1981. The following June, The Wall Street Journal largely discredited the report in an interview with its author, who admitted that much of the document was "over-embellished" and "misleading." Nevertheless, the State Department insisted that its conclusions were "fully valid," and in December 1981 the C.I.A. began aiding the contras. At the time, the Administration claimed that both Congressional intelligence committees had been fully briefed about the arms conduits.

The Administration's only other formal presentation of its argument was the release in May 1983 of a "background paper" that essentially reshuffled the charges presented in 1981. The countless informal accusations made since have been equally assertive but little more informative. Repeated requests for evidence have been declined, always with the contention that this would jeopardize "sensitive" and "clandestine" intelligence sources.

Yet surely the Administration does not lack overt means to gather such evidence. Its abundant facilities for this purpose include continuous spy-plane overflights of El Salvador, United States troop exercises in Honduras and the constant presence of United States naval vessels in the strategic Gulf of Fonseca. Data from these sources could be presented to the American public without threatening any personnel in so-called "sensitive" situations. Why then does the Administration continue to hide behind such a stratagem? Can it be that the White House simply does not have any evidence?

In two years, after more than \$50

million in expenditures, the contra operation has not intercepted one arms shipment of any kind. Rather than preventing the export of revolution, the program has caused the deaths of more than 1,000 civilians and inflicted some \$3 million in damages to the Nicaraguan economy. These are the results the Senate has to show for its knee-bending.

What should the Senate do now? Proposals to provide additional but limited funding to "wind down" the operation are empty political gestures. The Administration doesn't need extra money for this purpose: It has shown an ample capacity for guile in outflanking Congressional efforts to cut off funds by appropriating money designated for other purposes. What's needed now is nothing less than a total cutoff of covert assistance. The Nicaraguan Government has offered amnesty to all exile fighters not directly linked to the hated National Guard of the late dictator Anastasio Somoza Debayle. Those undesirable not covered by the decree could be allowed to take refuge in the United States or elsewhere.

As it takes up this critical vote, the Senate should make one last effort to redeem its honor by publicly demanding that the Reagan Administration show cause for the funding that it seeks. In the unlikely event that any evidence exists, let it be revealed and held up to public scrutiny.

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A Soviet Dramatist's Brave Work

By BENEDICT NIGHTINGALE

Victor Rozov's "From Night Till Noon," much admired and performed in the Russia of the mid-70's, brought onstage a scientist grimly convinced that children, relationships, feelings themselves were all dangerous distractions, keeping a man from his primary duty, which was to himself alone. The same play included an impassioned denunciation, voiced by an athletics coach, of "The high-riders, who get into the saddle and ride like mad for the sake of their careers, not caring who their horses trample underfoot."

Did Rozov's obvious mistrust of the first of these characters, his sympathy for the sentiments of the second, add up to any very scathing critique of Soviet society itself? Hardly. The scientist was too obscure a functionary, the diatribe against careerism too abstract. But Rozov's "Nest of the Wood Grouse," now at the Public Theater in New York, has sharper and more venturesome teeth. Its villain is a high-rider, happy to trample anyone underfoot, and philosophically at one with the scientist-seer of the earlier play. More to the point, he works in the Foreign Ministry in Moscow, and, given the speed at which he's hustling up the hierarchy, could be having a big say in all our destinies a few years hence.

Where Kremlinologists tread with caution, let not critics rush blindly in. It's difficult to think and feel one's way into the mind of any foreign playwright, doubly so when the writer in question pushes his pen on what one might almost call a different cultural planet. Nor do we see so much Soviet drama, either on the stage or the page, that we can easily pontificate about its horizons or health. Certainly, it seems wrong for the powers at the Public to have made "Wood Grouse" part of its season of East European "dissent" work, along with plays by Vaclav Havel and Janusz Glowacki. It involves family friction and the generation gap, subjects no less familiar for being placed in the house of a foreign-service appa-

rat, and it is currently playing to packed houses in Moscow. On the other hand, official tolerance must surely have felt tested by the play's evident impatience with its high-flying bureaucrats and by its friendliness toward those young people who are alienated by their corruption, callousness, hypocrisy and complacency. One isn't surprised to learn that Rozov's latest work, apparently another skeptical look at the private lives of public men, has run into trouble with the theatrical watchdogs back home.

Those watchdogs have, of course, snarled and growled and bared their fangs often enough in the past. Their history is a depressing one, but instructive to recall if one wishes to see



Eli Wallach in "Nest of the Wood Grouse" at the Public.

"Wood Grouse" in its cultural context. Thirty, 40, 50 years ago, its performance would have been inconceivable, its very existence dangerous. Few nations can have boasted so much dramatic talent as Russia under Stalin, and none squandered it so mercilessly. Look at the waste, and grieve.

Mayakovsky shot himself, largely because of official hostility to his theatrical attacks on those abusing their party cards. Erdman was sent to Siberia soon after the banning of his "Suicide," whose hero he'd shown howling "give us the freedom to whisper" into the unhearing ears of the

omnipotent state. Isaac Babel was similarly sucked into the Gulag, and his surviving manuscripts, including that of a play he thought finer than his great "Martya," were destroyed by the Cheka. Bulgakov, denied a stage for "Flight," was obliged to take a menial job at the Moscow Arts; Shvarts abandoned the theater for children's publishing after the suppression of his "Dragon," a wryly brilliant fairy story which accused the proletariat of wanting to be ruled by tyrannical monsters; Olesha, author of the interesting "List of Assets," fell permanently silent after telling a writers' congress that construction sites and five-year plans were "not things I live and breathe." Gorki, officially unassailable, is thought by some to have been poisoned, perhaps because his crusade for oppressed dramatists was becoming embarrassing.

Meanwhile, the Stalinist sun shone on those who, in Gorki's words, reduced drama "to a mechanical combination of facts within the limitations of a preconceived design." If you want to discover how bold "Wood Grouse" must seem, at least to Russians of the older generation, take a look at the much-honored work of Nikolai Pogodin, and perhaps especially his "Aristocrats," which managed to idealize the work camps to which his fellow writers were being ritually dispatched. "Saboteurs" and other seeming incorrigibles, offered understanding and responsibility by an infinitely caring Chekist commandant, trot off to dig the White Sea canal as blithely as Disney's seven dwarfs. Thus transformed into good, upright citizens, they shout burrahs, weep with manly happiness, and jubilantly toss their jailer in a blanket, while he shakes their hands and firmly moralizes about Socialist forces operating "with unheard-of daring, with true Bolshevik austerity, and on the broad scale Comrade Stalin has taught us."

One wonders what Babel, who died in one such paradise, would have said to that. Possibly much the same as Alexander Solzhenitsyn, who emerged during the Khrushchev thaw to write, not only his "Day in the Life

of Ivan Denisovich," but a play about the Gulag, "The Love Girl and the Innocent." He actually read it to a Moscow company, which was reportedly eager to perform it; but then, of course, Soviet permafrost reasserted itself. If you want to discover how difficult Rozov's "Wood Grouse" must seem, at least to some Russian dissidents, take a look at Solzhenitsyn's picture of institutionalized corruption, injustice and evil.

But perhaps that's too severe a test. Beside that fierce and implacable moralist, almost any playwright would seem timid. A fairer comparison is with those of Rozov's contemporaries who, like him, are still performed in Russia. What generalities can be based on an acquaintance with Alexei Arbusov ("The Promise"), Aleksandr Vampilov ("Duck Hunting"), Mikhail Roschin ("Valentine and Valentine") and others of my necessarily limited experience? That several Soviet dramatists write with grace and nerve. That they commonly eschew overtly social subjects for personal relationships, which they

One is not surprised to learn that the latest work by Rozov has run into trouble with the theatrical watchdogs back home.

sometimes describe with warrath and humor. That they communicate a liking for minor eccentricity, a faith in love and the young, hence optimism about the future. Happy endings occur in such plays with daunting regularity.

So they do in plays that are more explicitly political. Here, dramatists are sometimes mildly contentious. They're capable of attacking selfish, shortsighted bureaucrats and of showing wrangles among the Communist faithful. Afanasy Salynsky's "Maria" consists of a long, bitter dispute between an engineer trying to finish a power station on time and a party secretary battling to save the district from his TNT. Arbusov's "Evening Light" is about crusading journalists who rescue a forest from predatory apparatchiks. There are differences of opinion, errors, setbacks as the new society struggles into being, but they're temporary, and tend to occur a long way down the line of command. Soviet drama is still

not very sweeping, searching or strong in its criticism of Soviet society. Bluntly, it's bland.

American audiences, unfamiliar with the theatrical terrain around it, may find "Wood Grouse" rather bland, too. All they may see is an unwieldy long episode of "Father Knows Best," or perhaps a somewhat melancholy Broadway comedy. Here's Anne Jackson doing her maternal best to hold her family together while Eli Wallach, as deaf to trouble as wood grouse sometimes are to noise, neglects his duty to her, to their troubled children, to everyone except their repulsive son-in-law, who's also his protégé at the Foreign Ministry. The writing varies from the accomplished to the awkward, and so does Joseph Papp's company at the

comes a grade-school teacher, despised by the children of the elite? Meanwhile, Mr. Wallach himself spends his time fixing, wangling, trading favors, blithely unconscious of the slightest contradiction when he brags to visiting foreigners about Russia's lack of class distinctions, poverty, materialism, and so on. And his son-in-law, played with sinister anonymity by Dennis Boutsikaris, slyly exploits his prestige to get the top job he himself wanted, and then prepares to abandon the family for the daughter of an official answerable only to the Foreign Minister himself.

Rozov is clearly a reformer, not a radical, and in some ways the sort of reformer the late Yuri Andropov appears to have been. He wants the system cleansed, not changed. He wants a less spoiled and unprincipled bureaucracy, and more of the idealism of youth, more of the proletarian energy rambunctiously represented in the play by the fruit seller who saves Mr. Wallach's son from the consequences of the disgust and despair beginning to overwhelm him. So far, so orthodox. What's less usual is the simultaneous height and depth of the corruption Rozov shows, and its apparent invincibility. At the end of Molière's "Tartuffe" an emissary of the Sun King saves Orgon from the oily hypocrite who has fleeced him. No such deus ex machina comes from the Kremlin to arrest Mr. Wallach's remarkably similar son-in-law. He's 29 years old and seemingly unstoppable.

Public. Mr. Wallach is wonderfully flummoxed, hilariously frazzled, yet undoubtedly miscast in a role that also asks him to be jovial, gross and occasionally brutal. At times it's as if Khrushchev were being played by the White Queen, not a transformation that makes the evening more hard-hitting.

But to see the play as mere boulevardism is to ignore an awful lot. The reason this household is troubled has much, very much, to do with the world immediately beyond it. Out there, ordinary citizens are clamoring for commodities, from medicine to justice itself, that only the privileged can be sure of obtaining. The son of one of Mr. Wallach's colleagues commits suicide, a catastrophe that gets his father coldly categorized as unreliable and unpromotable. Mr. Wallach's own son has a bad case of amnesia, too: why, he wonders, should he be quietly sneaked into the International Relations Institute while his proletarian girlfriend he-

Nor is the play's only surprise its substitution of a distinctly ominous ending for the customary reassurance. There are, for instance, several hints that religion maintains its old hold on the Russian spirit, culminating in what's rather less of an emotional climax: at the Public than it should be, a scene in which the appalled Wallach tries and fails to make his daughter spit on the icon before which he's found her tearfully praying. Rozov once compared himself to a fireman, prepared to go into a burning house and face what was inside while others rushed out: "The writer must say everything he sees and feels as a citizen; if he does not he forfeits the title of writer." From many, perhaps most, Soviet playwrights that would be either a fib or an admission of myopia. But Rozov has earned the boast, at least in the case of "Wood Grouse."

Hollywood and Broadway Share a Wealth of Talent

By WALTER KERR

Have you recently had the feeling that you're seeing double?

I mean, have you perhaps gone to the movies of a Monday and seen William Hurt up there on the screen, and then gone to another movie on the Thursday following and seen Christopher Walken up to his ears in Cinemascope, and then gone to a Saturday-matinee performance of the new David Rabe play, "Hurlyburly," only to find yourself staring at the same two gentlemen in the living-and-breathing flesh on a Broadway stage — with not the least bit of fuss being made about it? Did you feel similarly surrounded, earlier this season, as you came away from Circle in the Square's "Heartbreak House" remembering how fetchingly Amy Irving had just curled up in Rex Harrison's arms, and also remembering — in the same flash of recall — that Miss Irving was the same Miss Irving still appearing in your neighborhood fiveplex as Barbara Streisand's bride in "Yentl"?

It's happening all the time lately, and, because we're not quite accustomed to it, it can cause lightheadedness and — in certain of the more attractive cases — shortness of breath. Consider that Glenn Close has been in practically every film you've seen since last fall while at the same time she's been showing up nightly at the Plymouth on 45th Street to do her duty by Tom Stoppard's "The Real Thing." Of course, we all understand that a film can be made any old time if actors are free; it is then put into cans for release at some unspecified future date, which is what causes these ghostly coincidences. But when, I ask you, has Miss Close been free? I don't honestly think she has any special genius for scheduling. I think she's been cloned. There have got to be two of her running about, one for movies, one for Tom Stoppard. For that matter, I'm not certain her Plymouth co-star, Jeremy Irons, does all his own movie moonlighting, either.

I could cite you a whole seasonful of just such "clones" — I swear I saw the lovely Elizabeth McGovern in four films while I was still trying to analyze what bothered me about her performance at the local Lambs' Club — but I'd better get on to my reason for bringing this dizzying matter up. I call it dizzying, but it's actually historic — as important as important can be. A 50-year logjam is in the process of breaking up. Hollywood and the New York stage are no longer separate, sealed-off entities. The news is happy news.

Movie stars, as we all know, have visited the New York stage before. But not in numbers. And not in their bloom. As a rule, we inherited movie stars one at a time, and then only when their time was running out. If a given star was turning 50 and fresh out of a contract at Paramount or M-G-M, he or she might very well cast sheep's eyes at Broadway, thinking of a possible second career. Gloria Swanson had made only one film in nine years when she came on

to do a revival of "Twentieth Century" with Jose Ferrer. As it happened, she looked and sounded just dandy in the part.

Some actors have made visits to the stage on principle, even though they had all the movie work they could handle and probably hated the torn-up housekeeping that moving from one coast to the other entails. They felt that they owed the theater something — their training, perhaps. Franchot Tone did this more often than most. Katharine Hepburn did it once to her regret ("The Lake") and once to reestablish herself triumphantly ("Philadelphia Story"). Jimmy Stewart took over "Harvey" to get in trim for the movie version he was due to play, and Spencer Tracy tried Robert Sherwood's "The Rug-

What happened to create a film-stage ensemble?

ged Path" only to discover that rugged was the right word for the experience.

But we never — until now — have had London's luck, the opportunity to pluck stage casts for new plays out of a common pool of stage and screen players. We've known about London's luck all along, and sometimes bemoaned the fact that we weren't a tight little island, too. Our coasts were so far apart that once a stage actor up and got himself a successful movie role, he generally planned or trained out to the West for good and all — so that there were "stage" actors in New York and "film" actors in Los Angeles, and never the twain shall tangle.

London, on the other hand, could always tap Ralph Richardson on the shoulder, or ring up John Gielgud on impulse, to see if either might like to do a six-month stand on the West End before agreeing to another David Lean or Carol Reed film. Or, if it wasn't too much trouble, mightn't they like to do both at once, filming by day and taking curtain calls by night? The young Alfred Hitchcock could have Michael Redgrave or Dame May Whitty any time he wanted, and so, if it had a mind to, could the Old Vic. All performers were locally based, available to both media, and no discrimination allowed.

This made for extremely well-acted movies, and for stage companies that had the audience swooning five minutes after the curtain went up. On my first trip to London I recall seeing John Gielgud, Ralph Richardson, Irene Worth and Sybil Thorndike gather together on the very same stage. That was quite a group to assemble, all the more remarkable considering the fact that both Gielgud and Richardson made films within the year.

Now, all of a sudden, our own fortunes seem to be changing. Did I

mention that Mr. Hurt and Mr. Walken are by no means alone in "Hurlyburly" but have, as companion players of equal status (or equal billing, anyway) Sigourney Weaver, Harvey Keitel, Judith Ivey, Cynthia Nixon and Jerry Stiller? A stage-movie mix, you see. And you'll find Circle in the Square's "Design for Living" stirring another, if slightly smaller, mix: Raul Julia, Jill Clayburgh, Frank Langella.

How come? What happened to put an end to the great rift and to create — really for the first time in this country — a sort of film-stage ensemble? Well, we know the first and most obvious cause: the collapse of the studio system. In the old days actors went to Hollywood, and stayed in Hollywood, and felt comfortable only in Hollywood, because the paternalistic studios looked after them so tenderly. (And because they had iron-clad seven-year contracts.) The studios nursed and shaped their players' careers, found them scripts or had suitable scripts written for them, oversaw the promotion of their films, practically cooked and served their dinners. Security was named Warner Bros. or Twentieth-Century Fox, and after a while inertia was beautiful.

By the late 1950's, however, continuity had disappeared. No more long-term contracts with their various perks. No more studio task forces bent on altering a performer's teeth, eyebrows and spiritual image for the rise to superstardom. New stars would still arise, all right, because of striking individual performances, or thanks to dear old luck. But they would be one-picture stars unless they made the right decision on the next script to accept. Each actor was his own man, now, each actress her own woman. For a while they were a bit lost. But if they were free in the sense of being "at liberty," which is to say unemployed, they were also free in the sense of being able at long last to do what they damn well pleased.

Clearly, one of the things that was beginning to tease and/or tantalize them was the prospect of flirting with New York, with the legitimate stage.

Still, it took a while for screen actors en masse to decide that it might be profitable to settle down in a Broadway theater, get to know their stage-bound neighbors, arrive at a stage-screen fusion that would be fluid and easy. "The Hospital" was made in 1971. I'd say it wasn't until 1980 that a comparable mix of movie and theater people appeared — and looked absolutely seamless — on a Broadway stage. Remember the company of the "Morning's at Seven" revival of that year? It was what you mean by a mix: Maurice Copeland, Teresa Wright, Elizabeth Wilson, Nancy Marchand, Richard Hamilton, David Rouns, Lois de Bance, Maureen O'Sullivan, Gary Merrill. You've got three M-G-M, Twentieth Century-Fox, United Artists alumni in that lineup on equal terms with the locals, a blend that turned out to be perfection itself.

Now, four years later, it would seem that the dam is about to break.



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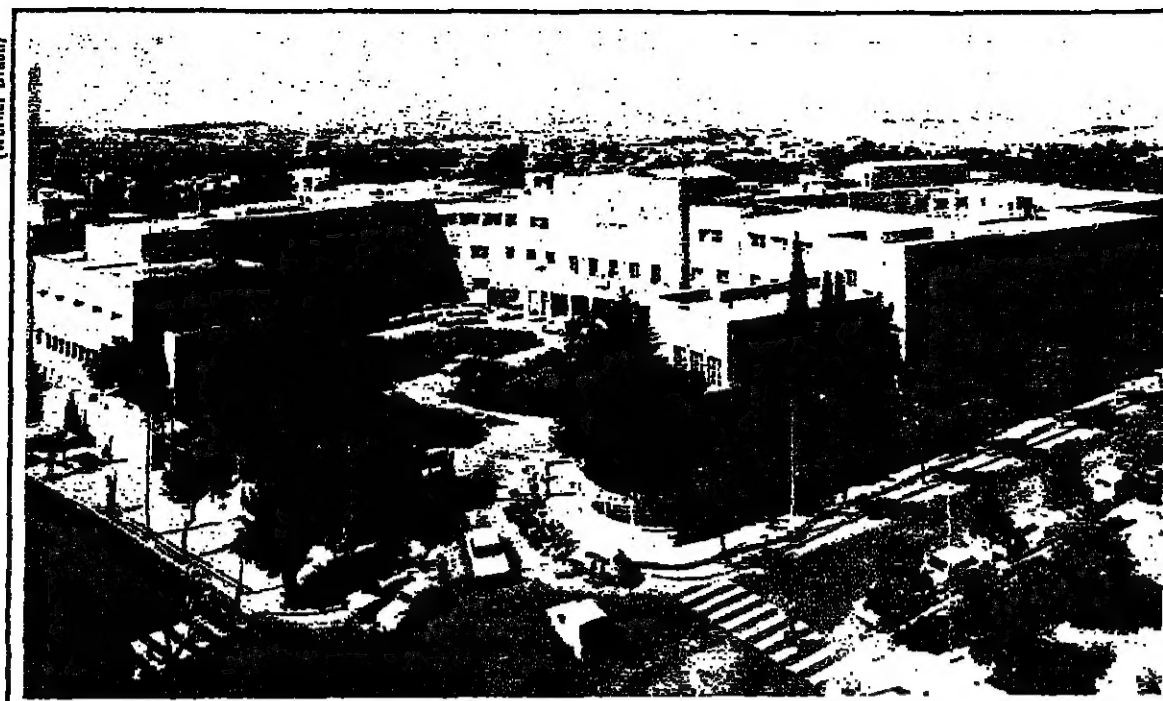
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Beyond the Jewish Agency

By ELIEZER JAFFE



THIS YEAR another troop of Diaspora leaders will converge on Jerusalem to attend the Jewish Agency Assembly and go through the motions of participating in the allocation of over \$400m. of philanthropic funds.

They will be safely sequestered by the event's organizers, and bombarded by P.R. from every one of the Jewish Agency's departments and other beneficiaries. For months these departments have been ploughing donor money - i.e. from the UJA and Keren Hayesod - into sophisticated publicity and information efforts to promote a sense of satisfaction with what is being done and to urge continued funding for more of the same.

This has led to a situation where dissident ideas and opinions have little chance of penetrating the pervasive monopoly around the Jewish Agency's time, touring, and literature concerning philanthropic work in Israel. Non-partisan ideas about alternative uses for charitable funds, about the future of the Jewish Agency and its politicization and about accounting donor money spent in Israel have a better chance of being reported in *The New York Times* or the *Wall Street Journal* than in community newspapers sponsored mostly by Jewish Federations or at meetings set up by the mainstream fund-raising and fund-spending organizations. The Jewish Agency and the UJA are reluctant to promote and fund public debate on these topics, to put it mildly.

ONLY RARELY have some of the more sophisticated federations, such as that of San Francisco, under the outstanding direction of Brian Lurie and his leadership, set up their own fact-finding "Israel Committee," and looked closely into how their allocations are spent in Israel.

They have broken through the missions, pre-cooked Jewish Agency assemblies, the "Caesarea Process," and the emotional pleas to "give more and leave the driving to the Israelis." In brief, they represent a new breed of intelligent, personally involved philanthropists who want more accountability for their money at the recipient end of their fund-raising effort.

Unlike many top Jewish Agency and Diaspora fund-raising officials, I strongly believe that donors do want to hear more about the problems and politics of the Jewish Agency. They are increasingly suspicious of what is done with their money here, and they want total say over the use of their hard-earned funds. They have no use for mingling Israeli politics

with philanthropic work, and are not tied to pre-state, anachronistic structures. They understand the power they wield, since without their funds, the Jewish Agency and perhaps the World Zionist Organization would probably collapse overnight.

In 1983, after continued rejection of my suggestion that the Jewish Agency (specifically, the United Israel Appeal office, which represents the American donor leadership) hold a pre-assembly briefing for foreign delegates on the mechanics, problems and politics of the Jewish Agency, I decided to hold my own "Off-Broadway" briefing session. With \$400 of savings I rented a ballroom at the Jerusalem Hilton and recruited two other speakers after dozens of candidates politely refused to participate for fear of jeopardizing agency grants, speaking invitations and other benefits. A mimeographed invitation was hand-circulated to delegates in the lobbies of Jerusalem hotels.

Over 200 people showed up for an excellent, frank, three-hour discussion on the relationship between fund-raisers and Zionist politicians and the future of the Jewish Agency.

One energetic participant from South Africa kept jumping up and asking, "Yes, yes, we know what's wrong, but what should we do about it?"

IT SEEMS to me that there are five major options:

- Maintain the status quo. Many employees, political appointees and party representatives lodged in Jewish Agency departments see no need for change, and believe it would be unrealistic for foreign donors to force their will on the Israelis. This view is supported by some veteran Diaspora leaders who are willing to live with Israeli politics in the Jewish Agency so long as the parties send their best possible candidates, and so long as veto power over these candidates remains a prerogative of the fundraising leadership. But this will not suit those who believe that the fund-raising leadership does not have enough control over donations, and accommodating political influence is a wasteful, unnecessary arrangement.

- De-politicize the Jewish Agency. Give control of the agency to the American and other fund-raisers. This would mean total removal of WZO representation from the Jew-

ish Agency, and of Israeli political parties from the agency's governing bodies. In this vein, Prof. Daniel Eliazar once proposed that an Israeli UJA be created, enabling Israeli donors to take the place of Israeli political (WZO) representatives.

This view assumes that the present Israeli political representatives will voluntarily relinquish control over the Jewish Agency's funds and departments, and that a new crew of Israeli donor leaders will be less political than present party appointees. It also presumes, rather wistfully, that Israeli philanthropists can change their current style of giving from earmarked donations to centralized philanthropy.

THIS IS a "trade-off," middle-of-the-road approach which, incidentally, is becoming popular with a growing number of private donors and families. At the Federation level, it means holding a proportion of UJA funds in local banks to be released directly for earmarked non-profit projects in Israel, according to recommendations of the Federation's Israel Committee or some other Federation forum. The rest of the Israel-bound campaign funds

would go to the Jewish Agency via the regular United Israel Appeal conduit, but greatly reduced in size.

The above arrangement provides much more flexibility and involvement opportunities for a network of "Israel Committees" from the Federations, and lessens the scope and power of the Jewish Agency. There would also be a need to guarantee stringent follow-up and accountability procedures for UJA funds that continue to flow to the Jewish Agency. The inherent problems connected with the *status quo* would persist.

This approach could also become a temporary "holding-pattern," until Federations decide whether they can or should reform the Jewish Agency, or whether they should abandon it entirely.

ALTHOUGH David Ben-Gurion could never quite bring himself gracefully to dissolve the Jewish Agency after the State was created, the philanthropic community abroad (i.e. the major Federations and the UJA) could do so within a year of cessation of funds. In place of the Agency, there could be established a non-political, independent international "Israel Fund," "Foundation"

organization, with a relatively small overhead for bookkeeping, legal advice, rental of modest office space, and staff. Funds would be directly forwarded to the Foundation via the United Israel Appeal and Keren Hayesod, or via American and world tax-free conduits such as the PEF-Israel Endowments Fund in the U.S.A. or a newly established totally non-political substitute for the UJA in New York.

IT SEEMS clear that there is a definite but slow process of evolutionary change now taking place, forced by the Diaspora leadership, which will result in reform of the Jewish Agency. My impression is that a widening circle of leadership is undergoing a period of in-depth self-education about the problems of the Agency, perhaps resulting in some greater representation on its governing bodies, and better evaluation and accountability mechanisms - all in an attempt to salvage the Jewish Agency while openly accommodating to continued politicization of the Agency by Israeli political parties.

These stop-gap, cosmetic efforts are proving unsuccessful in soothing donors' growing anxiety about the use of their monies. And rebellious Federations in Israel revolt and engage in independent activity. The UJA-UJA leaders will be forced to be much more open and honest with donors about the need for really basic change.

Eventually, there will have to be a complete divorce between the WZO and the Jewish Agency (i.e. removing the political appointees from the Jewish Agency governing bodies, from the operational Departments of the Agency, and from the UJA and Project Renewal, which would have to compete with other new and veteran organizations).

According to this model, some departments of the Jewish Agency would probably be dissolved or absorbed into government ministries with the cessation of guaranteed annual funding (for example, Youth Aliya going to the Ministry of Housing, the Aliya Department to the Ministry of Absorption). Worthwhile grantees might secure very significant grants from the new Foundation, without any involvement of Israeli political parties, and with total control by the donors' representatives. The new Foundation would be duly registered in Israel (and abroad) as a non-profit

organization. Thus, the sickness at the Jewish Agency can be very infectious for the UJA itself, with implications for local Federation income raised as a part of UJA appeals.

THIS IS the time for devising a new vehicle for successful, accountable, Diaspora philanthropy in Israel. The fascinating case of Raphael Kotowitz, who enjoyed a political fiefdom at the head of the Aliya Department of the Jewish Agency, and the obstinacy of the Herut Party in insisting that the Aliya Department "belongs to them," should be very instructive to Diaspora leaders and UJA donors. It unmasks the basic motivations of the World Zionist Organization's "Zionist" partners: that is, continued politicization of the Jewish Agency by Israeli political parties, exporting Israeli party politics to Diaspora communities (who couldn't care less), and political control over UJA and Keren Hayesod charity which flows into the Jewish Agency from unsuspecting Jews abroad.

Without access to these philanthropic funds, the WZO would soon be reduced to its real size, an anachronistic throw-back that should have been honourably absorbed into the government ministries and politics of the new-born State of Israel.

Unfortunately, no Israeli government thus far has found the vision or the courage to dissolve the WZO or the Agency. Ironically, this feat may turn out to be the most outstanding achievement of the Diaspora leadership, for an insistence on depoliticization of the Jewish Agency, and a blocking of WZO access to funds and patronage, may finally convince political parties that there are no spoils to fight over, and that Zion and "Zionism" can manage fairly well today without the WZO and even without the Jewish Agency.

These are the issues confronting serious UJA leaders and thinking donors. If money and partnership philanthropy are presently their major vehicles for identifying with our problems here in Israel, then they must guarantee the maximum possible impact from that investment. Donors must collectively or individually find the best way to attain this goal, and distinguish between it and fraternal feelings, or guilt for not coming on aliya, or the *status quo* conferred by the UJA and the Jewish Agency today.

The writer is a professor of Social Work at The Hebrew University.

Time now for a real debate

By AVRAHAM AVI-HAI

THE constitutional debate over the balance of control over the Jewish Agency may very well conceal the true debate over the soul of the organized Jewish communities in the Diaspora. The Agency rests on two bases: the World Zionist Organization and the fund-raising community organizations.

The constitutional process of change, known after the place where it began, Caesarea, is an overdue attempt to recognize the relative weight of the fund-raising organizations. It represents the attempt by some Zionists and most "fund-raisers" to remove the Agency from anachronistic Zionist party control.

The process is necessary, almost inevitable. But its long delay has resulted in another basic problem arising, which is being ignored or neglected to the grave danger of both Israel and the overseas communities. Under the impact of non-ideological, achievement-oriented community and campaign leaders, community campaigns controlled by local Jewish federations have tended to produce a basket of Jewish "needs" to be projected and met. The campaigns address them-

selves, particularly in the United States, to local needs: a varied mix of educational, social welfare and service "beneficiaries," which often receive on average close to 50 per cent of net cash income, if not more. As the performance-motivated business and professional lay-leaders "sell" these needs, so they "sell" Israel's needs more and more.

As a result of this parity, "Israel," i.e. the Jewish Agency, is often seen as just another beneficiary, the end product of a philanthropic process. This also accounts for the "weeping child" pity propaganda used to portray Israel's need. That is not what the UJA is about. Not at all.

Keren Hayesod, the "foundation" fund, was created to finance the founding of the Jewish State. The UJA in the United States was formed after Kristallnacht in 1938, when the danger to European Jewry brought together leaders of the national United Palestine Appeal

(an outgrowth of Keren Hayesod) and the Joint Distribution Committee, which, with local "federations" and "Jewish Welfare Funds," ran the community campaigning. After statehood, the Jewish Agency, the World Zionist Organization and hence the UJA, the fund-raising arm in the United States, and Keren Hayesod, the equivalent in all other Diaspora countries, were charged with ongoing basic Zionist tasks.

SEEN AS "voluntary" tax-collecting bodies, these organizations were permitted by the Israeli Knesset and government to deal with immigration, land settlement, youth training and the voluntary people-building tasks, in consonance with overseas tax laws. The Israeli-Zionist component

was not "the beneficiary." It was the full and senior partner in responsibility and in receipts. As time passed, generations brought up on shallow campaign slogans and tear-jerking gimmicks were not conditioned to see Israel as a mover and cause. They no longer perceived the Jewish Agency as the budget of the entire Jewish people, but as a beneficiary of their campaigns.

It seems that neither Israeli nor American Jewish leaders were sufficiently aware of the estrangement of "community"-based local leaders who created lists of "beneficiaries" for "allocations," including Israel. In the Keren Hayesod world, mainly based on "Israel" campaigns, this has been less the case, although American influences are becoming ever stronger and more pervasive.

Keren Hayesod, however, unlike the UJA, has a direct connection not just with the Jewish Agency, but with the WZO as well. Thus its philosophy and organization, and the fact that its world headquarters are in Jerusalem, make the idea of "national" budget and participation in people-building more central,

though often still insufficiently perceived.

The present Jewish Agency Assembly now convening in Jerusalem must decide to reverse the trend and launch a massive educational campaign to restore the true partnership, recognizing Israel's primacy in its national role. The Agency is not a "beneficiary." It is the motivating and unifying expression of a vision being realized. This is not an Israeli problem. It

goes to the heart of the relationship of the American Diaspora with Israel. Therefore, the responsibility rests squarely on the shoulders of the leaders of the Diaspora.

The call from the Assembly must be followed up on the national level in the U.S. and in each separate community. The time for the real debate has come.

Only against this background, does the Caesarea process make sense.

The writer, a member of the Jewish Agency and World Zionist Organization Executives, is world chairman of Keren Hayesod and has been a leader in attempts to reform both bodies.

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Comeback seen for larger diamonds

By JOSEPH MORGENTHAU
TEL AVIV. — Over the years De Beers Consolidated Mines through its Central Selling Organization, its marketing arm for the sale of roughs, the raw material used in polishing diamonds, has effectively controlled the price of diamonds. The policy always was to make sure that prices of polished diamonds rose at a rate that matched, or slightly surpassed the rise in inflation.

In 1978 the situation got out of control. The prices of large polished diamonds broke away and upward from the traditional pattern. This was not the same with the lesser qualities. By the latter part of 1980 a "D" flawless diamond was priced at an unheard of \$65,000 a carat, several times its pre-1978 price. Subsequently, the price of this flawless diamond plummeted and in 1983 it was selling for between \$12,000 and \$15,000.

The fall in price of the "D" flawless was accompanied by economic recessions and high interest rates. The industry was plunged into a recession from which it has not yet recovered, though sales of diamond jewelry were not affected but actually surged ahead.

The New York City market place was particularly hard hit. It is this market which is carefully watched by other diamond centres. "As New York goes, so goes the rest of the world" is a common belief. The Israeli diamond industry which unlike New York City generally supplies meles, or small diamonds, has usually seen its fortunes follow those of New York.

It now seems that the larger diamonds, which have generally been written off as an investment, may be poised for a major revival of interest and rising prices. The signs pointing to such a recovery are becoming evident. Over the years in the De Beers annual statement the words of company chairman Harry Oppenheimer have been carefully studied. His predictions of future trends have, more often than not, come true.

In the recently issued annual report for 1983, Oppenheimer states: "In the long run, there is good reason to have confidence in the value of the larger stones of high quality. While there have been in recent years a number of important new diamond discoveries, the bulk of their output consists of below-average quality stones. The larger and more valuable diamonds come mainly from the old established mines, whose output continues to decline. The large, good quality diamonds, therefore, can only become rarer and should increase in value."

The same report points out that stocks of rough diamonds are about \$1.8 billion. Market observers suggest that the majority of diamonds held in stock are large stones. By withholding these large stones from the market their value should rise. Nature has a tendency to create small, rather than large stones.

Also, the Central Selling Organization has since the November 1981 sight sale been holding back on the supply of the top colours and qualities of larger roughs.

An important indication that De Beers plans to raise prices of large stones is its recently begun massive jewelry advertising campaign. Priority is given to the promotion of quality.

Taking all these points into consideration, it appears that larger diamonds will again come into demand. It may not be farfetched to think that the "D" flawless may double in price over the next year or two. The Oppenheimer magic coupled with the De Beers worldwide strength will undoubtedly have the desired impact. Industry sources suggest that the "D" flawless will double in price to \$25,000 by 1985.

If the New York City centre prospers, the echo will resound in the halls of the Ramat Gan Diamond Exchange.

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The new 130-room wing of the Jerusalem Moriah Hotel.

Dim outlook for cotton spinning here

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — There is no future for cotton spinning mills in Israel. This is the conclusion of a study of this industry carried out by the Productivity Institute on behalf of the Ministry of Industry and Trade.

The survey notes that imported cotton thread costs 23-24 per cent less than the local product.

"And although local users are ready to buy locally produced thread at a price 10 to 15 per cent above that of the imported item, because they can be assured of rapid and steady supplies, they are not ready to pay more than that, the study shows.

According to another finding, no plant in Israel, even those using the most modern machinery, can produce thread for less than 15 per cent of the cost of the imports.

It is noted that the situation is likely to get worse in the future. More and more developing countries are moving into the field of spinning cotton thread, and their governments not only help with the investment for setting up the plants, but also grant continuous incentives. It would be impossible for Israel to compete under such conditions, especially since much foreign labour is cheap.

Finally, the report says, a situation will soon be reached where enough thread will be produced in the world to lead to widespread "dumping."

The report states that Israelis should concentrate on those fields where they have a relative advantage, such as in fashions and in "specific products," which take imagination and vision to produce.

Angel Bakeries issue oversubscribed 4 times

By PINHAS LANDAU
Jerusalem Post Reporter

TEL AVIV. — The initial share offering of the Shlomo A. Angel bakery company was oversubscribed by 4.12 times the amount of shares on offer. The company sought to sell 670,000 units of 100 ISL shares at the price of IS275 per unit.

By the time the lists closed on Friday, bids had been received for 2,761,430 units — more than 4 times the number offered. The company therefore decided that bids for up to 200 units would be allotted in full, and larger bids would receive 28.59 per cent of their request, but not less than 200 units and not more than 6,700 units for any one order.

The decision of the company to issue its shares despite the unfavourable conditions in the share market, and not to engage the services of an underwriting firm, have thus been fully vindicated.

Meat substitute

TEL AVIV. — Pedco (Vegetarian Protein) Products recently shipped 15 tons of its soya-based meat substitute to England. In 1983, the company exported goods valued at \$150,000, about ten per cent of its production. Recently, in cooperation with a South African company, it set up a company which plans to build meat-substitute plants in various African countries.

Hamashbir Hamerkazi had IS45.3b. turnover

By YITZHAK OKED

TEL AVIV. — The Histadrut-affiliated Hamashbir Hamerkazi cooperative wholesale organization reported a turnover of IS45.3 billion for 1983, and this year's turnover is expected to be IS154 billion.

General manager Shlomo Aizner said here yesterday that although 1983 was a very difficult year the company came out with a nominal profit of IS1.7b.

Since Hamashbir is a cooperative organization it does not pay stockholders any dividends. Its earnings are plowed back into the organization to improve services to stockholders. A full 98 per cent of the stock is owned by settlements affiliated to the Histadrut; the remaining 2 per cent are held by purchasing organizations of these settlements.

Hamashbir Hamerkazi was established in 1916 at Kvatut Kinneret. On Thursday the society will hold its 26th convention at Kibbutz Shefayim. The main topic will be mobilizing means to carry out a further expansion programme.

Modern Living Fair attracted over 400,000

TEL AVIV. — The Modern Living Fair which closed here on Saturday night attracted a record number of visitors this year. Ya'acov Bar-Gera, the general manager of the Israel Trade Fairs Centre estimated that over 400,000 people visited the fair during the last two weeks.

The closing event of the fair was a lottery of all the entrance tickets sold. The winning number was good for a Fiat Uno car. It was held by Haim Tzeltzi, 35, of Bat Yam.

WHAT'S ON

Notices in this feature are charged at IS840 per line including VAT, insertion every day of the month costs IS18,610 including VAT. Per month. Copy accepted at offices of The Jerusalem Post and all recognized advertising agents.

JERUSALEM MUSEUMS

Israel Museum, Opening Exhibition: The Other Side of the River, funerary objects from ancient Egypt (26.6). Confined Exhibitions: Happy Accidents, ready made and photographs: The Well-Built Elephant; How to Wrap Five Eggs; Joan Miro, sculptures; Eight Years of Sculpture in Israel; Marc Chagall, book illustrations; Window to Islam; Jonathan Borovick, environmental sculptures and paintings; Duda Mezack, sculpture installation; 12 Pages from Cairo Geniza; News in Antiquities; Tom Seidmann Freud, Scapes; Permanent Collection of Judaica, Art and Archaeology, Tichon House; Works by Anna Ticho; Collection of Hanukkah (open 10-14.30; Fr. 10.30-1.30). Rockefeller Museum, News in Antiquities, Finds from Phoenician Tombs, 10th to 7th cent. B.C.E.; How to Study the Past (for children, Paley Centre, next to Rockefeller Museum). Closed Saturdays.

Visiting House Main Museum 10-5, At 11: Guided tour in English, 3.30; Children's film, Little Lion's Footprints; 7. Little guided tour of Archaeology Galleries, 8.30. Concert, Mendelssohn Evening.

CONDUCTED TOURS
HADASSAH — Guided tour of all installations • Jewish tour at Kiryat Hadassah and Hadassah Mt. Scopus. • Information, reservations: (02-48333, 02-48271). Hebrew University:

1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus, Buses 9 and 25.

2. Mount Scopus, tours 11 a.m. from the Mount Scopus Reception Center, Sherman Building, Buses 9 and 25 to Last Stop. For further details: Tel. 02-582419.

American Miracchi Women, Free Morning Tours — 5 Alkalai Street, Jerusalem, Tel. 02-49222.

TEL AVIV

MUSEUMS
Tel Aviv Museum, New Exhibition: Nahum Gutman, paintings and illustrations, White City, International style architecture in Israel. Continuing Exhibitions: Collections: Classical 17th and 18th century painting, Impressionism and Post-Impressionism; 20th Century art: Selection of Israeli Art, Twentieth and Thirties in Israeli Art, Special Exhibitions: Prints from Jerusalem First Workshop Special Loans, including paintings by Monet, Miro, Picasso, Bonnard, Matisse, Rodin, Gericke and others. Visiting House: Sun, 10-14.30, Fr. closed Sat. 10-2, 7-10. Herta and Paul Amirson Foundation: New Exhibition: A Pear and an Apple — Exhibition on Still-Life, Visiting House: Sun, 10-14.30, Sat. 10-2, Fr. closed.

CONDUCTED TOURS
American Miracchi Women, Free Morning Tours — Tel Aviv, Tel. 220157, 243106.

WIZO: To visit our projects call Tel Aviv, 220109, Jerusalem, 220060, Haifa, 88577.

PIONEER WOMEN — KAMAT, Morning tours, Call reservations: Tel Aviv, 249706.

HAIFA

What's On in Haifa, dial 04-448040.

Your money & your questions

By JOSEPH MORGENTHAU
QUESTION: I am a returning Israeli who has been living in the U.S. for three years. While there I bought Elscint shares with money earned locally. What are the regulations concerning my shareholding now, after my return?

ANSWER: Within three months of your return these shareholdings must be transferred to Israel, where they will be deposited in a resident share deposit account. You may hold the shares now or dispose of them. If you sell them, the money of the sale will be credited to your *patan* resident dollar account.

QUESTION: I am planning to travel abroad after July 15. I understand that the \$100 travel tax is adjusted in shekel terms on the 15th of every month. Can I pay the tax before the 15th and thus avoid paying an increased shekel rate?

ANSWER: Since you are leaving the country after the 15th it certainly would be worth your while paying the tax a few days before your departure.

QUESTION: The price of the Elscint shares has recently moved down rather sharply. Is there some special news to account for the decline?

ANSWER: On June 11 the shares of Elscint were quoted at \$14½-14¾. On June 20 they were quoted at \$10¾-11. On June 19 Elscint announced the results for its fourth quarter ending March 31, 1984. The

report said: "The company is expected to show a profit, but substantially less than the \$6 million previously anticipated for the quarter." For more than five years Elscint sales and earnings have shown a sharp rise from quarter to quarter. The public has acquired confidence in the firm's ability to continue its performance. When the announcement was made that this was no longer the case, selling pressure developed. Whether the level of confidence will return remains to be seen, however, the company has announced that "sales in the first quarter, ended June 30, 1984, will be much improved over the previous quarter and profitability will return to normal."

QUESTION: We are permanent residents living in Israel for more than 20 years and we are both over 70. Our senior citizens institution charges a monthly maintenance fee, which is the equivalent of \$500. If we keep our funds in a *patan* dollar account we may get approximately 8 per cent a year before any taxes. Is there any other investment arrangement which would suit our needs?

ANSWER: Since your monthly financial obligation is the equivalent of \$500 you will be playing it safe by putting aside your funds for making the payments in a dollar account. Even if the Treasury should establish a two-tier rate for *patan* dollars, you will have the necessary funds to meet your obligations.

E.C.I. raises \$6.5m. in U.S. market

Jerusalem Post Reporter

TEL AVIV. — The Electronics Corporation of Israel (E.C.I.) last Thursday successfully completed a \$600,000 share offering on the over-the-counter market in the U.S. at \$10.50. As a result of the offering the company will realize \$6.5 million. E.C.I., which was founded in 1957, became a public company in 1981.

The company makes electronic telecommunication systems, employing microprocessors and advanced digital systems. The company's Telephone Circuit Multiplication systems are designed to enable telephone companies to use their networks more effectively by doubling the capacity of transmission facilities, or in the case of private line users, to reduce the number of lines leased.

ENTERTAINMENT

TELEVISION

EDUCATIONAL:
8.40 School Broadcasts 15.00 Surprise Train 15.20 Contact 15.50 Follow Me — English for Adults 16.00 The Heart 16.25 Rehev Sussman 17.00 A New Evening — live magazine
CHILDREN'S PROGRAMMES:
17.30 Kites — programme for 8-12 year olds
18.00 Cartoons
ARABIC LANGUAGE programmes:
18.30 News roundup
18.32 Programme Trailer
18.35 Sport
19.15 Ramadan Quiz
19.30 News
HEBREW PROGRAMMES resume at 20.00 with a news roundup
20.02 Famer Secrets
20.50 Driving Home — programme to encourage better driving habits, introduced by Haim Goldblatt
21.00 Mabat Newsweek
21.30 Political Broadcasts
22.10 This is the Time
23.00 Callan — new British espionage series starring Edward Woodward, Russell Hunter and Patrick Mower: Where else could I go?
23.50 News
JORDAN TV (unofficial)
18.30 Cartoons 19.00 French Hour 19.30 (JTV) Science film 20.00 News in French 20.30 News in Hebrew 21.00 News in Arabic 21.30 The Blue and the Grey 22.30 Doctor at Large 23.00 News in English 23.15 Verdi
MIDDLE EAST TV (From T.A. north)
13.00 Tonight 13.30 Another Life 14.00 700 Club 14.30 Shave-Up 15.00 Afternoon Movie 16.30 Spiderman 17.00 Pagey 17.30 Super Hero 18.00 Laramie 19.00 Bonanza 20.01 Another Life 20.30 World News Tonight 21.00 Entertainment Special WKRP in Cincinnati 21.30 NBA Basketball 22.54 700 Club 23.24 News Update

Zubin Mehta conducting — Mahler: Adagio from Symphony No. 5; Mozart: Allegro Maestoso from Sinfonia Concertante (Haim Tzeltzi, Daniel Benyamini); Stravinsky: Excerpts from Rite of Spring 16.45 The Jerusalem Symphony Orchestra — Explorations — works by Josef Tal — Gergely Berni conducting, with Walter Buyskens, clarinet — Imago, clarinet concerto; Symphony No. 3
18.00 Musica Viva — Saarland Symphony Orchestra — Earl Browne: Sonata; Rounds (Hans Zender; Earl Browne); Coriolari, for piano; Helmut Lachenmann: Grand Trio (Spring Quartet; Bebi) 19.05 Choral Concerto; Gregor Pech; Sinfonia; Britten: Sinfonia; Sinfonia; 20.30 Dmitry Shostakovich, violin — works by Brahms and Kegel, with the Orchestra of the West-Deutscher Rundfunk together with Bella Davidovich, piano — Beethoven: Sonata in C minor; Debussy: Sonata; Schubert: Sonata in A minor 23.00 Jazz Unit Midnight

First Programme
6.03 Programmes for Olim
7.30 Morning Concert (from Voice of Music)
9.30 Encounter — live family magazine
10.30 Programme in Easy Hebrew
11.10 School Broadcasts
11.30 Education for all
12.05 A Guest For an Hour
13.00 News in English
13.30 News in Hebrew
14.05 Children's programmes
15.35 Notes on a New Book
16.05 Talk on halakic matters
18.05 Afternoon Classics
18.47 Bible Reading
19.05 Reflections on the Portion of the Week
19.30 Programmes for Olim
22.05 Every Man has a Star

Second Programme

7.00 This Morning — news magazine
8.05 Safe Journey
9.05 House Call — with Rivka Michaeli
10.10 All Shades of the News
12.10 Open Line — news and music
13.00 Midday — news commentary, music
14.10 A Taste of Honey — with Dan Kaner
15.10 Safe Journey
17.10 Economics Magazine
18.45 Consumer Broadcast
18.45 Today in Sport
19.05 Today — radio newscast
19.30 Law and Justice Magazine
20.05 Cultural Music
22.05 Folk songs
23.05 Treasure Hunt

Army

6.00 Morning Sounds
6.30 University on the Air
7.07-7.07 — with Alex Anki
8.05 Morning Newscast
9.05 Right Now
11.05 El Al Summer — with Eli Yisraeli
13.05 Two Hours
14.05 Four in the Afternoon
17.05 Evening Newscast
18.05 Army and Defence Magazine
19.05 Music Today — music magazine
20.05 Golden Oldies (Hit Parade)
21.05 Mabat — TV newscast
21.35 University on the Air (repeat)
22.05 Popular songs
23.05 One for One (repeat)
00.05 Night Birds — songs, chat

CINEMAS

JERUSALEM 4, 7, 9

Eden: Eterniturnat, Edition: Foulplay; Habibi: The Man Who Knew Too Much 4, 6, 8, 9; Kite: Breakdown; Mitchell: Gorky Park 4, 6, 8, 9; Oriol: Educating Rita 4, 6, 8, 9; Oriol: Police Academy; Roni Zelig: Seminar: Fiddler on the Roof; Cinema One: Harem London 4; Toosie: The Battle of Algiers 15; Cinemathèque: Pat Garrett and Billy the Kid 4; Love and Lies 9; Israel Museum: Little Lord Fauntleroy 3, 21.

TEL AVIV 5, 7, 9, 10

Alhambra: Come with the Wind 4, 8; Ben Yehuda: Foulplay; Cinema 2: Return of Martin Guerre 4, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

RAMAT GAN

Armon: Police Academy 7.30, 9.30; Dragon Slayer 5; Lily: Gorky Park 7.15, 9.30; Herbie: Terms of Endearment 7.15, 9.30; Herbie Goes Bananas 5; Oriol: Uncommon Valor 5, 7.30, 9.30; Ramat Gan: Big Chill 7.30, 9.30.

HAIFA 4, 7, 9

Amphitheatres: Star Trek II: The Wrath of Khan; Armon: Breakdown; Cinema: Terms of Endearment; Mariah: To Be or Not to Be 6.45, 9; Oriol: Uncommon Valor; Zelig 5.15, 7.15, 9.15; Peer: Love 4, 6, 8, 9; Shalev: Muddy River 6.45, 9; French Cultural Centre: Au Hasard Balthazar 9.30.

HAIFA 4, 7, 9

David: Vol 7.15, 9.30 (except Thursday); Thelma: Operation Eagle 7.30, 9.30.

HOLON

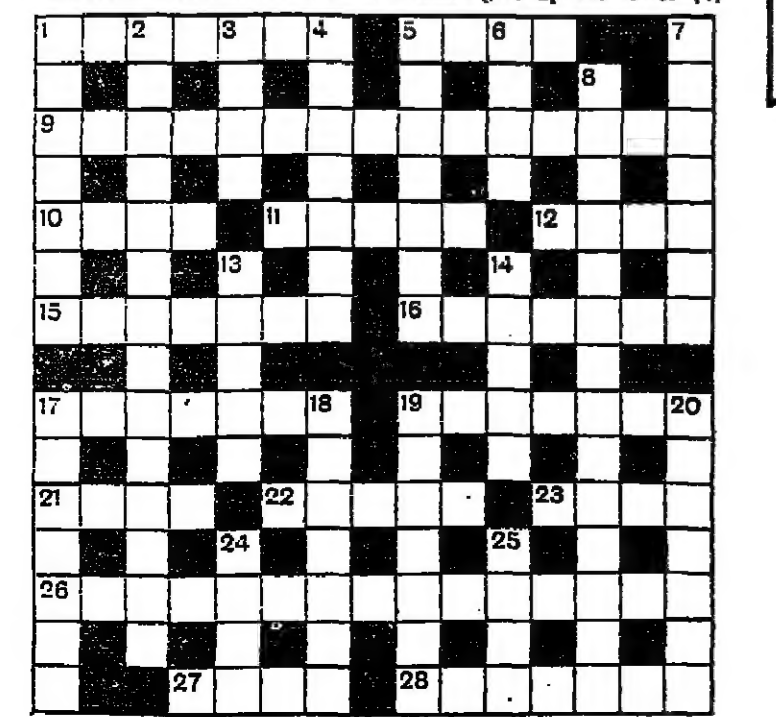
Migdal: Return of Martin Guerre 5, 7.15, 9.30; Savoy: Uncommon Valor 5, 7.30, 9.30.



ONE-AND-ONE CROSSWORD

ACROSS
1 Sandpaper curvy (5, 4)
2 Record which scratches badly (4)
3 Illuminated matters only: Hardly (5, 10)
4 First for the PM (4)
5 Dainties heightened by nothing but merchandise (5)
6 Soundly promising oceanic resort (4)
7 Minute female parasite native to the Middle East (7)
8 Male well-disposed to our species (7)
9 By the sound of it beat the other fellows' track and blow it (7)
10 Newspaper cutting from the gardening corner (7)
11 Carry a better calculator: u course (4)
12 English port which cost only 15p till it had a pound to spend (5)
13 Beyond which the unrighteous grow white with fear (4)
14 Classically insane sergeant joined by Petty Officers before the troops sit back (5, 6, 8)
15 Sort of look that makes a modest girl reel back (4)
16 Leaves suggestive notes to different choral voices (7)

DOWN
1 What women put their hair in to get big waves (7)
2 Safari sport for senior talent scout (3, 4, 7)
3 Sober hearted pair named Bismarck (4)
4 Offensive Moonies replaced (7)
5 Priceless Benedictine sought by Soviet dissidents (7)
6 Sail up to the South West rock (4)
7 Feign as those who would faint be king (7)
8 He runs a quiz to get his own back on teacher (8-6)
9 Drop out as cheer leader maybe (5)
10 Sleep soundly (5)
11 In 1912 she went down great (7)
12 Proverbially he swears he can fight on a mount (7)
13 Fleet Street chief importuned (7)
14 Record rise takes pressure off and makes one happy (7)
15 The original Utopian demand (4)
16 Don't give up the tower (4)



GENERAL ASSISTANCE

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Jerusalem: Mann, 10 Jaffa, 220488, Baitan, Salah Eddin, 22315, Shufat, Shufat Road, 810108, Dar Eldawa, Herod's Gate, 223088, Tel Aviv: not available
Netanya: Kuper, Holim, Clalit, 31 Brodetski, 91123, Reize: Yavne, 7 Ibn Sima, 62258.

DUTY HOSPITALS

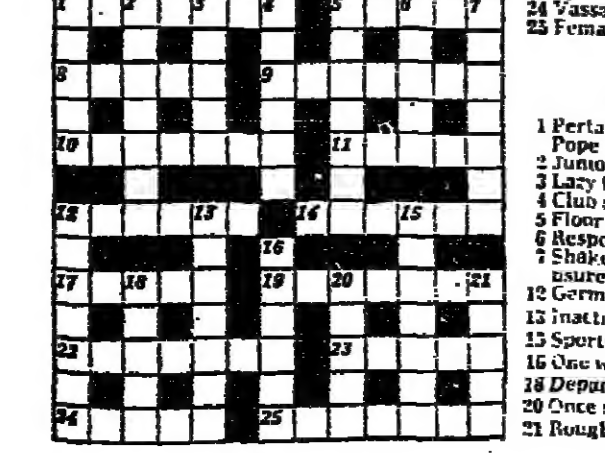
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QUICK CROSSWORD

ACROSS
1 Indulging in games
5 Eccentrics
8 Part of floor
9 Literature room
10 Fadder



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S U B S E R I B I N G
F A R T A D S T
G O S S A M R E T A I L
O O U E R N
D O U B L E D E A L I N G
K U E K P

ACROSS: 1. Odour, 4. Colours, 8. Eagle, 12. Tangle, 16. Cat, 17. In-shore, 18. Net, 19. Juggler, 21. Rebutte, 23. Lure, 25. Trapeze, 26. Grief, 28. Image, 29. Goggles, 30. Greeter, 32. Dated, 33. Bowler, 34. Oyster, 35. Ramelet, 4. Credit, 9. Louis, 6. Gend, 14. Eraser, 15. Oscar, 16. Oyer, 16. Nigara, 18. Engraver, 19. Effluvia, 21. Beggar, 22. Tangle, 23. Rebut, 25. Tangle.

Money Matters

Free shares break lower, bonds firm

TEL AVIV. - The "free" shares moved decisively lower yesterday. This turn for the worse is the first significant downward move in the last few weeks, and the first move of any sort since last Sunday. By contrast, the official and unofficial bond markets remained steady and even managed to gain ground.

The "unofficial" bond market is, of course, the "arrangement" bank share sector, which is really a part of the government bond market, but remains formally in the realm of the share market. This sector moved ahead by 1.37 per cent, and the great weight it has on the General Share Index is such that this gain was sufficient to cause the G.S.I. to close up 0.36 per cent, despite the falls in the free shares.

The "arrangement" shares sector also took the lion's share of the gains in the official bond market, rising by 1.37 per cent, or some 65 per cent of the total gain in the "arrangement" shares should be seen against the background of a significant acceleration in the decline of the shekel against the dollar last week, and the

Tel Aviv Stock Exchange

By PINHAS LANDAU

even larger fall in the shekel's value on the black market. Rumours of imminent government measures, either of a general nature or directed against the foreign currency market, have caused a wave of increased activity, bordering on panic, in the "white" and "black" markets alike. The "arrangement" shares, as dollar-linked bonds, are part of this move and the high yields available on them - 17 per cent last week - made it inevitable that their prices would rise as the dollar surged against the shekel.

"Regular" bonds, primarily index-linked ones, were stable with slight rises in many series. The volume rose to almost IS1 billion again, as it had early last week.

The major development, as noted, was the change of trend in the free share market. For several weeks this sector has been trending in a

stable to positive trend; earlier in June there had even been some fairly big rises. This trend now seems to have been broken, and if explanation is required it must be sought in that same bout of rumours that sparked the renewed run in the foreign currency markets.

The facts, at least, were clear-cut. Declines ran at almost twice the number of advances, sharply falling issues were almost three times the number of those rising by 5 per cent or more, and there were 11 "sellers only" situations, compared to 6 "buyers only".

The non-bank index fell by 1.39 per cent, and all the component indices fell except the specialized financial institutions and insurance sectors. The pace-setting sectors, industrials and investment companies, lost 1.66 and 2.13 per cent respectively.

Some issues took sharp tumbles: Leading the pack was the Fertilizers IS10.1 share, which lost 999 points, or 30 per cent, in slumping back to 2,340. The share had been "sellers only" on both Wednesday and Thursday.

Fertilizer's neighbour, Dexter options, also managed a large fall - 22.2 per cent. T.G.L. IS5 shares fell 15 per cent, but on the up-scaler was Amisur, which rose 10 per cent for the third successive session. This is in the wake of the impending split in the Eisenberg group, which will probably leave Amisur in the hands of Mickey Albin. The Cohen Development option also racked on a useful little move of 26.4 per cent.

CLASSIFIEDS

DWELLINGS

JERUSALEM

ROOM IN APARTMENT to rent, 2 weeks, July 1-15, Palmach Street, very central, fully equipped, phone, 550. Tel. 02-663716, evening.

RAMAT SHARON, nice, 3 rooms, well-located, view, 5th floor, Tel. 02-433307.

TEL AVIV

NORTH TEL AVIV apartment rentals, modern facilities, Inter-Israel, Tel. 02-3441.

HAIFA

FURNISHED TOURIST apartments, Mt. Carmel, short periods, Richmond/Richman, 3 Dargah Hayam.

EINSTEIN STREET, 4 furnished rooms, telephone, long term possible, Tel. 02-256156.

HERZLIA

HERZLIA PITUAH Rental, furnished house, 4 telephone, July-August, Tel. 052-9834.

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AMERICAN ISRAELI BANK LTD.

FOREIGN CURRENCY 28.6.84

Yesterday's foreign exchange rates against the Israeli Shekel, for U.S. dollar transactions under \$2000 and transactions of other currencies under the equivalent of \$500.

	Selling	Buying
US\$	223.4273	220.6731
DM	304.4197	300.6671
DM	80.1878	79.1993
French FR	26.1074	25.7856
Dutch G	71.2460	70.5677
Swiss FR	96.3049	95.1177
Swedish KR	27.3139	26.9772
Norwegian KR	28.2070	27.9581
Danish KR	21.9020	21.6320
Finland MK	37.9656	37.4976
Canadian \$	170.9467	168.8394
Australian \$	193.8344	191.4449
Rand	169.2127	167.1269
Belgian C10	30.4250	30.4400
Belgian S10	38.9348	38.4548
French F10	114.3143	112.9051
Yen(100)	96.8978	95.7280
Spanish P100	142.1972	140.4443
Italian Lire(1000)	129.9223	128.3207

GOLD, 573/576/oz

INTERBANK SPOT RATES:

US\$	1.3615/25	per \$
DM	2.7835/63	per \$
DM	2.3200/10	per \$
French FR	8.5530/80	per \$
Y. Lire	37.975/70	per \$
Dutch G	3.1360/70	per \$
Yen	235.40/48	per \$
Danish KR	10.2000/25	per \$
Swedish KR	8.1800/50	per \$
Norwegian KR	7.8900/40	per \$
Belgian C10	36.665/68	per \$
Belgian F10	57.36/41	per \$

FORWARD RATES

	1 month	3 months	6 months
US\$	1.3650/53	1.3710/14	1.3800/21
DM	2.7710/13	2.7480/47	2.6970/22
French FR	2.2045/56	2.1740/58	2.2200/64

Commercial Banks

(not part of "arrangement")	Volume	Change
Bank Leumi	2402	n.c.
Mazda	898	n.c.
Bank Hapoalim	360	n.c.
N. American	1875	-10
Bank Leumi	1304	-7
Bank Hapoalim	2455	-11
Bank Leumi	305	-5
Bank Hapoalim	74	-8
Bank Leumi	205	-14
Bank Hapoalim	326	-30
Bank Leumi	378	-150

Commercial Banks (part of "arrangement")

	Volume	Change
IDB	9005	+40
IDB	8101	+36
IDB	49600	-2
IDB	6101	303
Discount	10399	11
Discount	10170	+10
Discount	2110	+40
Discount	3385	+221
Discount	3318	14
Discount	10399	11
Discount	10170	+10
Discount	2110	+40
Discount	3385	+221
Discount	3318	14

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Discount	3318	14

Commercial Banks (part of "arrangement")

	Volume	Change
IDB	9005	+40
IDB	8101	+36
IDB	49600	-2
IDB	6101	303
Discount	10399	11
Discount	10170	+10
Discount	2110	+40
Discount	3385	+221
Discount	3318	14
Discount	10399	11
Discount	10170	+10
Discount	2110	+40
Discount	3385	+221
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Discount	10399	11
Discount	10170	+10
Discount	2110	+40
Discount	3385	+221
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Hotels, Tourism

	Volume	Change
Galit Zohar	707	31
Galit Zohar	360	32
Galit Zohar	no trading	
Galit Zohar	no trading	
Galit Zohar	no trading	
Galit Zohar	no trading	
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Ari Rath
Editor and
Managing Director

THE JERUSALEM
POST

Erwin Frenkel
Editor

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Calming the waters

THE WAGE contract for the public sector signed yesterday after much turmoil and agony was fairly predictable. A month before elections no government is anxious to face mass strikes, and least of all a government that will have an uphill struggle to be returned to power. As predictable as the signature itself — which has averted a prolonged walk-out of workers in the local authorities — were the terms of the agreement.

The wage hike of some 15 per cent, spaced out in two instalments for July and August, comes as close as can be to precisely splitting the difference between the original Treasury offer of 8 per cent and the Histadrut's demand for 23 per cent. The additional 8 per cent to be bargained out by the various unions, makes the Solomonic solution shift a little closer to the Histadrut demands.

The agreement got the economy over the hump with the largest number of public sector employees. But some groups of civil servants like those with academic degrees remain dissatisfied.

Adjustment of the tax brackets in line with the full rate of inflation, which was one of the Histadrut's central demands, has been left open. This will have to be negotiated after the elections. Meanwhile, the Treasury will go on with its new-old practice of adjusting the tax brackets only by 80 per cent of the rate of inflation. This, of course, means that inflation will continue to narrow wage differentials, between grades and between higher and lower-salaried groups of workers.

It is, therefore, not surprising that the academically trained civil servants and the engineers remain dissatisfied, and it is virtually certain that other groups will join them. Yesterday's agreement has, therefore, not yet calmed all the troubled waters of wage relations in the public sector. Disputes are likely to go on not only until the elections, but for weeks and months afterwards.

Moreover a wage agreement for the private sector must also still be hammered out. Labour relations in the private sector have usually been much more peaceful than in the public sector, but there is no guarantee that they will remain so this time around. A wage hike of what will ultimately be 23 per cent is not likely to be granted easily by private industry. There may, therefore, also be trouble ahead in the private sector.

The present agreement could have been signed weeks ago, sparing the country the avoidable unrest that has reigned for the past weeks. Had the Treasury realized in time that the Histadrut was making it an offer it could not refuse, the public might have chalked up such flexibility to the government's credit. But having dragged its feet interminably, until four weeks before the elections, the government has turned yesterday's agreement into a victory for the Histadrut.

The Histadrut has obtained most of what it demanded, even if that is a little less than it expected. At the same time, consistent with its traditional restraint, the demands of the Histadrut have not been exorbitant. A wage increase of some 15 per cent, without backpay to April, when the old wage contract expired, barely compensates civil servants for the wage erosion engineered by Finance Minister Yigal Cohen-Orad.

There is in yesterday's wage agreement no significant hedge against the inroads on real wages that will result from inflation that will rage on at the present rate for at least months to come. Even the additional increment of 8 per cent, that is to be negotiated for payment in October's salary on the eroded basis of the June pay packet, will not go very far towards keeping real wage levels steady. All in all, the cost of the higher wage bill to the Treasury will be some 16 per cent over the April 1984 basis — and that may fall far short of making up for the loss in purchasing power of a month's salary.

The Histadrut, under the new leadership of Secretary-General Yisrael Kessar, has no doubt won a tactical victory. It got the mass of the public sector workers a good slice of compensation that looks bigger than it really is, and at the same time, by not holding out for more and quietly accepting some continued wage erosion, once again demonstrated its "national responsibility."

So, the labour federation has come out of this fairly well: the government, however, did not enhance its image.

POSTSCRIPTS

PS JEWISH grandparents are apparently getting rarer in America these days. That may explain the new "Dial-A-Jewish-Story" telephone service being provided in New Jersey. The caller may dial a number to hear classic tales of Jewish heroes from the Bible, Talmud, Midrash and Jewish history, or tales of modern Jewish bravery.

The 24-hour-a-day service was instituted to "give Jewish children a deep feeling of warmth and pride in their heritage," according to Rabbi Yosef Lipskier, a faculty member of the Rabbinical College of America in Morristown, New Jersey, which is sponsoring the project, as part of Habad-Lubavitch activities.

J.S.I.

PS STRIKINGLY FAMIL- IAR — The extras for the film *King David* being shot at the Gran Sasso Mountain near L'Aquila, Italy, are on strike to protest being "treated like slaves." The extras, most of them from the Abruzzi region surrounding L'Aquila, claim producers of the colossal biblical production starring Richard Gere are treating them with "arrogance, brutality and continual threats of firings," according to the Rome daily *La Repubblica*.

They also protest their scanty costumes to portray ancient Jewish and Philistine tribes, which allow little protection from the cool temperatures of the snow-topped Gran Sasso, the daily said.

The extras earn \$40 a day.

WAGE DEAL

(Continued from Page One)

achievements. One of the proposals raised at the meeting was to break away from the Histadrut and form an independent union of professionals — following the example of the doctors and some of the teachers.

Some officials advised rebelling trade unionists to join the agreement. They said that because of inflation money in the hand is worth more than what they may get later.

But the rebels noted that they have time. Because the wage increases will only be paid with July's wages in August, they can join the agreement as late as July 20 and still get the raise.

Michal Yudelman adds: Garbage piled up in Tel Aviv's business district yesterday on the first day of the municipal workers' general strike. In residential areas the effects of the strike were less evident as many residents did not put their garbage out.

All municipal offices were closed and only emergency services including hospitals, electricity, firefighting and water services continued operating with a skeleton staff.

Kindergartens were also closed. Emergency services supplied by the Jerusalem Municipality were maintained despite the strike, by agreement with the workers' committee.

TV STRIKE

(Continued from Page One)

trial is slated for Wednesday night, as the evening TV schedule is devoted to a live telecast of the European Soccer Cup final from Paris. If the campaign messages are not vital on Wednesday, Ressler reasoned, they could not be considered vital on

Sunday night, as the back-to-work orders maintained. Justice Barak accepted this argument, and the journalists were jubilant that TV would remain shut down for at least one more night.

It is not yet known if any radio or TV broadcasting will take place today.

ARGENTINA'S refusal to negotiate on the basis of the proposals by the International Monetary Fund and its insistence on submitting its own scheme mark the beginning of the end of the manner in which the world debt crisis has been managed for the past two years. One way or another the industrial democracies will now have to face two realities. There is no chance of any principal being repaid for a decade or more. Even interest payments will become politically unbearable unless handled as a political and not a technical economic problem.

Continued refusal to accept these facts will provoke a political confrontation between the U.S. and the principal Latin American debtors.

Combined with Central American conflicts, this could absorb America's energies in the Western Hemisphere, impairing traditional U.S. ties to Western Europe and important relationships in Asia. And it could undermine the bonds with Latin America, which historically have been the most consistent theme of U.S. foreign policy.

A few statistics illustrate the magnitude of the problem. At the end of 1983 the major Latin American debtors, Brazil, Mexico, Argentina, Venezuela, Chile, Peru and Colombia, owed more than \$300 billion. Interest payments alone consumed more than 40 per cent of all their export revenues. Total debt service, even when repayment of capital was considerably stretched out — or "rescheduled" in technical language — equalled around 60 per cent of earnings.

These figures will deteriorate further in the years to come. Every percentage point of U.S. interest rates costs the Latin American countries almost \$3 billion. Interest payments, already difficult to sustain, have thus been further bolstered by the recent increase in U.S. rates.

NOR WILL the export earnings of debtors grow fast enough in the coming years to ease the debt burden significantly. Several recent studies have demonstrated that Latin American exports will grow by less than 10 per cent during the next several years. Even when extremely favourable assumptions are made, interest payments would still exceed one-third of earnings. In addition, huge amounts of debt — more than \$100 billion — are supposed to be repaid during 1985-87.

These payments simply cannot be made. None of the major debtor countries will be able simultaneously to pay its debt, achieve economic growth and maintain its political and social equilibrium. When debtors have to borrow to pay even interest, we have reached the historically unprecedented and politically unsustainable condition in which developing countries are being turned into capital exporters. This year the Latin American countries will pay \$20 billion more in interest than they receive in net new loans.

The crisis first became apparent with respect to Mexico in 1982. Since then it has been dealt with through an almost endless series of negotiations between the International Monetary Fund (IMF) and a consortium of banks on the one side and whichever debtor country faced the most immediate difficulty on the

Diplomatic approach to the debt crisis

By HENRY A. KISSINGER



other. The IMF would lay down conditions for good economic management. The banks, together with the IMF, would assemble a financial rescue package, which in practice rarely exceeded the amount of interest due or overdue. When these funds inevitably ran out, the emergency procedure was repeated. Nevertheless these piecemeal, essentially technical methods have reached the limit of the politically sustainable.

For the International Monetary Fund was created to redress short-term imbalances of individual countries. It lacks the financial and political resources to deal with a crisis of the entire international financial system. Its remedy, in effect mandating austerity, works well when applied on a one-shot basis. It is likely to backfire politically when a score of countries are patients, and the illness lasts the better part of a decade.

Between 1981 and 1983, Latin America has reduced its imports — mostly from the U.S. — by \$33.2 billion or 41 per cent. But even growing exports have barely kept pace with the increase in debt produced by the extraordinary phenomenon whereby debtors borrow from banks to pay interest to these same banks.

Even the most successful debtor — Mexico — projects a growth rate of barely 4 per cent for 1986, the fourth year of its austerity. Since the country's rapidly growing labour force

will create the need for new jobs at an even faster rate, an austerity which has already produced over 30 per cent unemployed may not deepen but neither will it ease. In Brazil where an approaching presidential election deprives the government of some of its authority, three presidential contenders have demanded that the debt issue be "politicized." In Argentina, the new government of President Alfonsín, the most hopeful democratic experiment in a generation, equates the intensification of austerity with political suicide, caught as it already is between the wariness of the military and the hostility of the Peronist unions. Fairly or unfairly, challenging the present system of debt management has turned into the dominant political issue in Latin America.

As a result the bargaining position of creditors has gradually eroded in recent months. It is becoming increasingly clear that creditors are unwilling to risk default, and that banks are in no position to face down governments fighting for their political survival.

THE RESCUE package for Argentina in March left no further doubt on that score. When Argentina threatened to refuse payment on the interest on its private debts — involving painful but bearable losses — the U.S. Treasury blinked. It arranged for a group of debtors (Mexico, Brazil, Colombia and Venezuela) to

undertake an emergency loan to Argentina. This essentially cosmetic "rescue" operation could not hide the fact that its essential element was an implied American guarantee. How could it be otherwise when the loan was undertaken by countries unable to pay their own international debt? In the process the U.S. showed the debtors its inhibitions and gave its blessing, however unintentionally, to the principle of a debtor's cartel.

Nor is the present system of debt management beneficial for the economic system as a whole. If a score of countries simultaneously seek to reduce imports and to expand exports, the international system becomes dangerously mercantilistic. Ironically the effort to save free economies can result in an assault on free trade.

The frequency of the negotiations under the existing system, the prolonged uncertainty which they entail, and the threat of default, which is the chief bargaining weapon of the debtors, sap confidence and make the financial system highly susceptible to panic. It seems only a question of time until some major government, or more likely a group of them, will seek to impose their terms on the creditors — as Ecuador and Bolivia have already done, and more important, as Argentina is doing in its negotiations with the IMF.

Proponents of the present process argue that it is the sole device to force on the debtors the economic adjustment without which their situation is hopeless. I agree with the diagnosis of the need for economic reform. But the remedy is both paralyzing and a counsel of despair. It guarantees that each crisis will be precipitated by the least responsible or the most hard-pressed of the debtors, tempting confrontation and a direct assault on the international banking system.

Statesmanship must be able to transcend formal theory. The time has come to bring the professed goals of the international financial system into line with political realities.

THE INDUSTRIAL democracies can take some unilateral steps to ease the debt crisis. They should adopt economic policies which encourage economic expansion, thus promoting Latin American exports. They could curb protectionism and above all lower interest rates — the latter a largely American problem. But the debt problem cannot wait until the U.S. political process permits a structural assault on the U.S. budget deficit. The governments of the industrial democracies need to abandon their current hands-off attitude towards the debt crisis.

This requires a comprehensive approach to the problem. Banks cannot continue the burden of negotiating economic reform without becoming themselves the political issue. Governments must step in to create the political issue. Governments must step in to create the political conditions which would enable each party to make the sacrifices which reality will impose in any case.

In such a framework banks must be encouraged to give up the pretense that full debt service is possible and forgo the contortions required to keep the myth alive. New mechanisms must be devised to bring the interest burden into line with the ability to pay and to reschedule debt over a realistic period of time. Governments will have to establish criteria for allocating the costs of stretching out debt. Above all they must find ways to provide new financial resources to the developing countries, either directly or through international financial institutions.

But no matter how farsighted the governments of the industrial democracies and how responsive the banks, there is no prospect of bringing the debt problem under control unless the Latin American debtors are willing to do their part to reinstitute growth by major efforts of economic reform — to curb inflation, to alter the disincentives to saving and investment, to create equitable and enforced tax systems, to eliminate subsidies for inefficient industries, to manage sensible exchange policies. Debtors must abandon the illusion that some political sleight of hand can relieve them of the necessity of serious adjustment programs and accept the fact that the encouragement of private investment — both foreign and domestic — is the only road to sustained growth.

Several eminent Latin Americans have proposed that the debt problem be "politicized." The term lacks precision but it reflects an important truth. The stakes have become too high to be left to the technical remedies of financial experts. Politicizing should not mean the removal of banks from the process. Politicizing does mean creating an international framework reflecting a realistic schedule for debt payments and above all a reciprocal commitment to renewed growth and development.

ONLY WITH such an approach will debtor countries be able to ask their people for sacrifices which are now unacceptable when seen as a device by banks to exact interest payments.

The stakes are nothing less than the nature of the relationship of developed to developing countries and for Americans the vitality of U.S. ties in the Western Hemisphere at a moment when Latin America has the best and most democratic set of governments in this century. In an interdependent world, creditors and debtors will ruin each other by tests of strength. In truth, the only realistic question is whether we strike out together on new paths. For if we do not work together now to avoid a catastrophe, we will be forced into much greater efforts later in order to overcome it.

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READERS' LETTERS

DISGRACEFUL PUBLICATION

To the Editor of The Jerusalem Post Sir, — At its meeting of June 11, the Hebrew Writers' Association in Israel rejected the slander and blasphemy contained in the pamphlet, "The Buried of the Crematoria Accuse," issued by the Agudat Yisrael youth.

This blood libel against the Jewish resistance movement during the Nazi terror and against the entire Zionist movement arouses revulsion and horror. The abominable lies about our comrade, Abba Kovner, one of the leaders of the partisans, whose activities in the war against the Nazis rekindled Israel's honour, must be condemned by every person with a conscience.

We appeal to all public bodies in Israel to condemn this disgraceful occurrence and urge the attorney-general to bring the authors of this slander to trial.

The Executive Board,
The Hebrew Writers' Association,
Tel Aviv.

WORLD WAR II AMPUTES

To the Editor of The Jerusalem Post Sir, — Please help me trace World War II veterans of the British Army with lower limb amputation or their widows who are interested in the following announcement:

The Department of Health and Social Security in England has accepted the relationship between the effects of lower limb amputation and subsequent cardiovascular disease. The amputees or widows of such amputees whose death was established as due to cardiovascular disease may now apply for a pension through The Royal British Legion, 95 Shalom Hamelach Street, P.O.B. 11379, Tel Aviv.

SARA KOFFLER,
Honorary Secretary,
Royal British Legion, Israel,
Tel Aviv.

RENT-A-CAR

FROM \$6 PER DAY
All cars new
Pick up and delivery free
TAMIR, Rent-a-Car
8 Kikar Ha'atma at
Metzuya
Tel. 053-311831 (day)
053 25763 (night)

SHOCKING AD

British Mandate, hostile governments that did not defend us.

The Jewish terrorist attempts at murder were vigilante actions. If we condoned them, in any way, we are on our way to lawlessness and anarchy. The blows they struck and attempted to strike were not blows against the Arab terrorists; they were blows against the government of Israel, a Jewish government, our government. I feel great anguish that a group of prominent rabbis, some of whom I know by reputation and who I have always respected, have opted for terror and lawlessness.

MURRAY SAFRAH

Jerusalem.

Sir, — Do the American rabbis of the Committee for the Sanctity of Human Life walk in the Shadow of Evil, the force they always preach against? A serious question, no doubt, but what is one to conclude from their ad in The Jerusalem Post of June 8?

Their claims and arguments may derive from ignorance, presumption, and arrogance. It is the stuff of Darkness, in which Evil thrives.

Professor GERD KORMAN

Jerusalem.

QUICK SERVICE

To the Editor of The Jerusalem Post Sir, — Just before the Shavuot holiday was to begin, I realized that the electricity in my apartment in East Talpiot had been turned off. I had apparently not received my last bill and non-payment of it was the reason for this state of affairs. I telephoned the East Jerusalem

Electric Company and was told to come over immediately and pay my bill. Within an hour, a workman had come over to my home and turned the current back on.

Some things can get done quickly.

ANNE JACOBSON

Jerusalem.

INDUSTRY PRIZES

To the Editor of The Jerusalem Post Sir, — I refer to your article of June 7, "The winners of this year's Industry Prizes." I am disappointed by the Manufacturers Association's ludicrous and short-sighted decision in granting the Industry Prize to Martin Gehl, Board Chairman of Dubek, a dealer in addictive poison. By this award, they have foolishly bestowed an aura of justified respectability on the tobacco trade.

JULIAN GRIGG

Kfar Sava.

TV BLACKOUT

To the Editor of The Jerusalem Post Sir, — The three-day silencing of TV is indeed a great pleasure. May the journalists' works committee continue in its good work of freeing us of the pollution emitted by our TV sets.

If we can "forget about seeing elections televised," so much the better. Perhaps we can go back to reading a good book, talking to our children and playing with them, and communicating with our fellow-men.

ARYEH BODENHEIMER

Beersheba.

NAME BRANDS — 10 INSTALMENTS

Ratfon is happy to announce that it is now offering electrical appliances by internationally known makers — Graetz, Constructa, Fakir, and Starmix, with instalment plans of ten dollar payments, and also through Visa and Isracard credit cards.

Fakir

Graetz

Starmix

Constructa

You can now buy a vacuum cleaner, food mixer, colour TV set, laundry drier and dish washer... with a payments plan.

(Isracard) What else? ■ Better than money

RATFON Brings the good things of life

Import Ltd.
Tel Aviv, 35 Sderot Yehudit, Tel. 03 2553028
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\$40 — Round Trip to Cairo
A Great Trip
\$465 — To the famous places in Egypt
8 days — 7 nights
Accommodation in Tourist class 'A'
Hotels on H/B basis is included in the price
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Egypt is our speciality

Galilee Tours
Tel Aviv, 140 Hayarden Tel. 225817
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Details at all travel agencies